

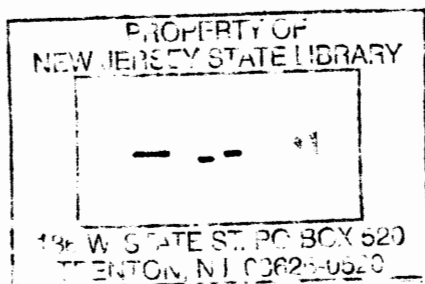
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P U B L I C H E A R I N G

before

SPECIAL COMMITTEE ON THE GENERAL ASSEMBLY TO
MAKE AN INVESTIGATION AND REPORT ON THE USE
OF PUBLIC FUNDS TO ACQUIRE TITLE TO LAND TO
BE USED BY THE STATE OF NEW JERSEY AND TO
DETERMINE WHETHER IMPROVEMENTS CAN BE MADE
IN EXISTING PROCEDURES. [Created by Assembly
Resolution No. 7, 1964, and reconstituted
under Assembly Resolution No. 1, 1965]



Held:
Assembly Chamber
State House
Trenton, New Jersey
July 14, 1965

MEMBERS OF COMMITTEE PRESENT:

Assemblywoman Marion West Higgins [Chairman]
Assemblyman Raymond H. Bateman
Assemblyman David M. Mandelbaum
Assemblyman Norman Tanzman

Also:

Michael J. Ferrara, Esq., [Counsel]
Samuel A. Alito [Secretary]

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ASSEMBLYWOMAN MARION WEST HIGGINS [Chairman]: Good morning. I'd like to open this third public hearing of the Special Committee of the General Assembly created under A. R. 1.

We had planned to put Mr. Brown on first this morning, but I see that we have the Commissioner with us.

COMM'R ROE: I can wait.

ASSEMBLYWOMAN HIGGINS: You will be able to spare the time?

COMM'R ROE: I can devote the whole day to you.

ASSEMBLYWOMAN HIGGINS: Fine. I just wanted to be sure that we gave you every courtesy and if you wanted to appear first -- Mr. Brown, would you like to step forward.

We have in attendance here this morning Mr. Mandelbaum; Mr. Tanzman; Mr. Bateman; and myself, Marion Higgins. Mr. Keith unfortunately had an unexpected conflict come up that he couldn't possibly get here and he wants to present his apology.

Mr. Brown, we have been swearing in the witnesses. Do you mind?

MR. BROWN: No.

A R L O B R O W N, being duly sworn, testified as follows:

MR. FERRARA: Madam Chairman, if I may, at one of the last meetings, as you recall, I posted a map up here in the back, a topographical map of the whole area, and with it I had hoped to indicate a little bit better the pictorial setup of what this whole area is about. And your Committee indicated

that I should proceed with the map and try to lay out the comparables on the map and so forth so we will have a little more of a graphic picture of what went on based upon it; I did, and I'd like to just switch my position here a little bit and put a map up on the board.

ASSEMBLYWOMAN HIGGINS: All right.

MR. FERRARA: I'll have copies available if anybody wants them or needs them.

MR. BROWN: Madam Chairman, we also have an aerial map and we also have a U.S. map for the same purposes.

ASSEMBLYWOMAN HIGGINS: Fine.

ASSEMBLYMAN BATEMAN: Is this the same map.

MR. FERRARA: It's the same thing I gave to the Committee.

Madam Chairman and members of the Committee, I just completed this so that there may be areas on which I need some extra clarification. But in addition here I have a chart. You folks have it here. I should pin this up too.

BY MR. FERRARA:

Q I have set up a chart also, alongside here, Mr. Brown, and I think that it will be helpful to all of us, if I can lay out first what the information is so that you can follow us when we are examining the question.

You will note that the green parcels here, as well as on the map, are State-owned parcels of land and you will note

that the red parcels which correspond with these red parcels here, are the comparables that we have had some testimony on and those which we have developed by way of my research. I call your attention also - there are a few little dots here. These represent some of the comparables that your appraisers had come up with in the testimony. Frankly they were quite difficult to set forth because they were individual lots, and as best as I could locate them - and I am sure that I am not an engineer so that there could be errors in this area - these are the locations of the individual parcels and attached to that which I gave the members of the Committee and yourself - attached to that on the back of the comparables is a typewritten list of the comparables which was received from the Committee in their testimony. I'd like to look at my copy while I am on this.

And I also think it would be important to call to your attention that in addition to the comparables there was testimony that we had regarding certain other parcels of land. For instance, the Wawayanda piece is identified as number 6. You heard testimony on that Wawayanda and that's this piece over here [indicating] and we had testimony regarding a piece which was the Ringwood Mines piece. You will see that is identified here as number 12. That's the piece right in here [indicating]. That was the testimony with the 500 acres -- \$500,000, 990 acres.

We also had testimony regard the Lavine piece, which is parcel number 13. That was the piece that you will also recall was one that we had some testimony on.

Then we had information - at least some testimony - regarding Shelton College. In fact, I see in today's newspaper the Commissioner has indicated that the Department is going to purchase it and that is this piece here that is 26 [indicating].

Now I think there is one other area. You will recall some testimony, Mr. Brown, on the Green Engineering piece and the Ringwood piece and again, I believe, that is part of this release this morning from the Commissioner, that those pieces are being acquired. And those are the parcels that fall on your map, if you can't see the map here - that fall on the map between the double zero piece, which is Thunder Mountain, and the number 1 piece here, which is the Ringwood State Park.

Now I think I have identified all of the pieces and now, if you would, Mr. Brown, with this little preliminary explanation, can you tell us, tell me, tell the Committee ---

ASSEMBLYMAN TANZMAN: Madam Chairman, through you, before we go any further - now that Mr. Ferrara has made his little speech, I'd like to make a speech too.

ASSEMBLYWOMAN HIGGINS: Mr. Tanzman, you are hearing a presentation of a map that you requested of Mr. Ferrara.

ASSEMBLYMAN TANZMAN: I have no objection to its presentation. I'd just like to set the facts straight. This map was made by Mr. Ferrara, not the Committee.

MR. FERRARA: That's correct. I'm sorry. I

didn't indicate that, I don't think.

ASSEMBLYMAN TANZMAN: Now this map is misleading as it is drawn because Mr. Ferrara has put down here at the bottom "average price per acre, \$540 being paid in the market." Now you have to compare what you are comparing and you can't lump together mountain tops and lakefronts and hills and dales and come up with an average. If you want to take averages, take the average of the lakefront property and also then take the average of the backlands and come up with two different averages. I also note that there is no average of the State acquisitions. This map is intended to put the State in a bad light and in my opinion is drawn for that purpose only.

MR. FERRARA: Madam Chairman, if I may --

ASSEMBLYWOMAN HIGGINS: Mr. Ferrara, if you'd like to --

MR. FERRARA: That's the last thing I want to do. First, I think the average of the State parcels are on the rider connected to - the second rider carries the State appraisals, the State comparables, and I think only that - I am not professing to be an enginner in doing this. All I did was a mathematical division.

ASSEMBLYMAN TANZMAN: Madam Chairman, through you, I'd like to make one other request today. I would like to have the questions asked by the members of the Committee and not by Mr. Ferrara. I feel that he was

unfair to the witnesses at the last hearing. I feel that he cut the witnesses short and if anybody in the press or the Committee wants to take the trouble to read this testimony, this transcript, they will find out the witnesses were cut off without being given a chance to answer their questions. I would therefore request that the members of the Committee ask the questions.

ASSEMBLYMAN BATEMAN: Madam Chairman, on a couple of things - this is the first time I have seen this. I think that the business at the bottom - it isn't particularly pertinent. I guess what Mr. Ferrara has done is to put together the parcels and prorate the value and to that extent --

ASSEMBLYMAN TANZMAN: I don't object to that part of, Mr. Bateman.

ASSEMBLYMAN BATEMAN: -- to that extent that part of it doesn't really bother me.

ASSEMBLYMAN TANZMAN: I don't like the averaging part.

ASSEMBLYMAN BATEMAN: I think on the second part, Mr. Ferrara has been asking questions. I thinkin fairness to him, Mr. Tanzman, all of us have been interrupting. There aren't too many lawyers here on this panel and we've all had our share of interruptions and I don't believe that he has either been unfair or unwarrantedly ---

ASSEMBLYMAN TANZMAN: You would like me to show you ---

ASSEMBLYMAN BATEMAN: [Continuing] -- improper in his --

ASSEMBLYMAN TANZMAN: Would you like me to show you examples in the testimony --

ASSEMBLYMAN BATEMAN: I have read the testimony.

ASSEMBLYMAN TANZMAN: [Continuing] -- where I asked him three or four times to let a witness finish his statement?

ASSEMBLYWOMAN HIGGINS: Mr. Tanzman, I'd like to point out if we are going to go into the testimony and illustrate interruptions --

ASSEMBLYMAN TANZMAN: We are all guilty. I admit that.

ASSEMBLYWOMAN HIGGINS: I would like to point out we are all guilty because there have been several occasions when I have had to, as chairman, respectfully remind you that it is customary to speak through the chair. I have also had to remind you that you were putting words into the mouths of some of the witnesses.

ASSEMBLYMAN TANZMAN: You were guilty of the same thing, Madam Chairman. Let's just clear the air. Nobody is guilty or more guilty or less guilty than anybody else.

ASSEMBLYWOMAN HIGGINS: On the matter of Mr. Ferrara asking questions, at the beginning of these hearings, I requested the Committee to present to Mr. Ferrara any questions that they would like to have asked. We discussed whether Mr. Ferrara should ask questions. It

was the agreement of everyone on the Committee. No objections were raised at any time until just this morning.

ASSEMBLYMAN TANZMAN: That's right because I read the testimony last night.

ASSEMBLYWOMAN HIGGINS: I think that it is understandable. We have no funds for this investigation whatsoever. The Legislature is not provided with funds for investigations. We have been carrying on this investigation of Thunder Mountain at the specific request of the Commissioner of Conservation and Economic Development and we have done it with the unpaid help of an attorney, Mr. Ferrara; because of the fact that I had so much to do and you all have had so much to do, we haven't had the opportunity. Mr. Alito with his staff has done all he can to help us obtain information. The Department of Conservation and Economic Development has been most cooperative. But it has been physically impossible for any of us to devote the time, with the limited funds that we have as legislators in our salaries, to pay for additional help to make this investigation. I am glad you brought up the question because I want it to go on the record. I feel we have been completely limited in our ability to get expert help in coming up with an investigation of this sort.

Now I think that your objections raised to somebody who as he started presenting this map said to you,

"This map has been drawn at your request," which is true, if you will check the testimony -- and he has done his best. He has said he is not an engineer or an expert in this area. But he has tried to present what has been the culmination of all the testimony on comparables.

We have attended ourselves quite thoroughly as amateurs in this area, except for you who are a professional appraiser, into the appraisers' evaluations of Thunder Mountain and we have all of us, I think you will agree, questioned the comparables they used or the lack of comparables in some cases, and I think that it is a matter that is pertinent to the hearing that we do have put before us an analysis.

Now you are completely correct, and I think that we all admit this, that you can't take mountain tops and divide with lakes as far as land comparables are concerned, so that the average per acre would be perhaps out of line. If you took, however, each piece and took the cost per acre and went through it - and we can easily identify from the map in front of us which pieces have lakes on them - we could then come to an average that would satisfy you. But for any accusation that anyone is trying to put something in a bad light, I think that you will have to take that into consideration carefully.

Yes, Mr. Mandelbaum.

ASSEMBLYMAN MANDELBAUM: Madam Chairman, I have

no objection to Mr. Ferrara's presentation. However, so that his presentation doesn't become hearsay, do I or the other members of the Committee have the right to ask Mr. Ferrara where he got his figures from --

ASSEMBLYWOMAN HIGGINS: Of course.

ASSEMBLYMAN MANDELBAUM: [Continuing] -- to describe the properties and to go into details to make sure that the figures we have in front of us are correct, just as we would if we had a witness in front of us?

ASSEMBLYWOMAN HIGGINS: Of course.

ASSEMBLYMAN TANZMAN: Madam Chairman, through you -- of course, this map was just handed to us this morning. We haven't had a chance to study it or even to look at it before we walked in this room. And while I have no objection to this being used for the purpose of identifying parcels, I maintain, as I did before, despite what you said, that this bold type down at the bottom, "average price per acre, \$540, being paid in the open market," is an obvious attempt to show that the State is overpaying without judging the merits. Now this has been the tendency of this Committee, to prejudge this case.

ASSEMBLYWOMAN HIGGINS: Mr. Tanzman, that is an insinuation and I think that you would be the first to have to admit that we have tried in every way possible and have bent over backwards --

ASSEMBLYMAN TANZMAN: I cannot agree with that statement.

ASSEMBLYWOMAN HIGGINS: Would you like to elaborate on that?

ASSEMBLYMAN TANZMAN: No, I would not. I think we ought to continue with the hearing and let's not prejudge as we have been doing.

ASSEMBLYMAN MANDELBAUM: Is he done with his presentation?

ASSEMBLYWOMAN HIGGINS: Mr. Ferrara, would you like to continue?

MR. FERRARA: Yes, and I will answer Mr. Mandelbaum's questions. I have got as much information as I could gather on those comparables from the record and I'd be very happy to. They are all from the records, grantors, grantees, and so forth.

BY MR. FERRARA:

Q Mr. Brown, with this little preliminary discourse - but the purpose of this now is with this information that I have gathered --

ASSEMBLYMAN MANDELBAUM: Madam Chairman, I would like to, before Mr. Ferrara gets the witness - I think we ought to go into these comparatives to make sure that we know what we are talking about and that they are correct because otherwise, if your assumptions are wrong - they don't have to be wrong, - but if they should be wrong, the witness would be misled because he would be testifying based upon the wrong assumptions. In other words, I would like to ask some questions about these. You probably have the answers right

there.

MR. FERRARA: Madam Chairman, if I may, certainly, of course, I am not an appraiser and I didn't do this job as an appraiser. The information that I have here I'd be very happy to give you and I think Mr. Brown in his position as Director - and that's my question that I am coming to right now, Mr. Mandelbaum, regardless of what I have here, what did Mr. Brown do about it when he got his appraisal report.

MR. MANDELBAUM: If I might, I would like to point out that Shelton College as an example that you have listed, a thousand acres, happens to include, if you have seen Shelton College, several beautiful buildings.

MR. FERRARA: I am talking about only the raw acreage.

ASSEMBLYMAN MANDELBAUM: I think we should point out which of these are land and which of these are land and buildings because don't you think it is a little unfair not to explain what is involved?

MR. FERRARA: These are all land.

ASSEMBLYMAN BATEMAN: I think we ought to thumb through these as you suggested.

ASSEMBLYWOMAN HIGGINS: Mr. Mandelbaum, would you like to ask some questions?

ASSEMBLYMAN MANDELBAUM: Yes, if I could. I don't have many questions.

MR. FERRARA: Mr. Mandelbaum, these are all land.

These are all land. The Shelton College thousand acres is only the land portion, the vacant land. They were going to divide it up into two parcels. And that information has been derived as a result of a listing. That's all it is, a listing, an offer to sell by Shelton College back at the time that Thunder Mountain was purchased, just the land portion aside from the buildings.

ASSEMBLYMAN MANDELBAUM: Where did you get the listing from? - the same kind of question we would ask a witness.

MR. FERRARA: Yes. It was a real estate broker in the area.

ASSEMBLYMAN MANDELBAUM: Who was the real estate broker?

MR. FERRARA: At the moment, I just don't want to give you the name of it.

ASSEMBLYWOMAN HIGGINS: I'll tell you. It was my own office.

MR. FERRARA: All right. That's the answer. It was Mrs. Higgins' office plus one other broker.

ASSEMBLYMAN MANDELBAUM: Shelton College listed the property, 1,000 acres for a million dollars with your office.

ASSEMBLYWOMAN HIGGINS: Right.

ASSEMBLYMAN MANDELBAUM: In 1963.

ASSEMBLYWOMAN HIGGINS: I'll check the date.

MR. FERRARA: All right, Assemblyman Mandelbaum?

Then with the other information --

ASSEMBLYMAN BATEMAN: Which other ones, Assemblyman Mandelbaum?

ASSEMBLYMAN MANDELBAUM: Well, do you have a more recent listing than that? In other words, who gave you the listing?

MR. FERRARA: The listing as of last month I have is a listing of \$1450 an acre, as of last month.

ASSEMBLYMAN MANDELBAUM: Whom did you get that listing from?

MR. FERRARA: That's through the Alexander Summer organization.

ASSEMBLYMAN MANDELBAUM: The only problem with that is the brochure that was given me for Shelton College, which you might have seen, has the name of Grif Jones on it.

MR. FERRARA: Grif Jones is the attorney.

ASSEMBLYMAN MANDELBAUM: And I understand he is the only one authorized to give listings. So if a real estate broker is offering somebody's property and they don't have the right to it -- Have you seen that brochure?

ASSEMBLYMAN BATEMAN: Yes.

ASSEMBLYWOMAN HIGGINS: Assemblyman Mandelbaum, this was in 1963 before Griffith Jones --

ASSEMBLYMAN MANDELBAUM: No. He said last month. He had an offering of \$1450 and I don't see how he could get a listing from a broker who wasn't authorized

to list the property.

MR. FERRARA: Madam Chairman and Assemblyman Mandelbaum, I am not attempting to use that. That is the information that I got last month, but I am not using that. I have only put a thousand dollars on.

ASSEMBLYWOMAN HIGGINS: Mr. Ferrara, do you have anything more?

ASSEMBLYMAN TANZMAN: Madam Chairman, what is Mr. Ferrara going to do with this map? I'd like to know.

ASSEMBLYWOMAN HIGGINS: That is what he was trying to show.

ASSEMBLYMAN TANZMAN: No. I mean is he going to try to use this map to tie into testimony? If he is, before he does I think we ought to visit the site physically and see each one of these sales so that we know what we are talking about because by looking at numbers, it is impossible to compare. You have to see physically what your comparisons are. I can give you comparable sales of two houses - they both are one-family houses and they both have the same number of bedrooms and the same number of bathrooms - but that doesn't mean they are comparable. One may be ten years old and one may be eight hundred years old. One may be in a good neighborhood and one may be in a bad neighborhood. So before we take these as being gospel, we, the Committee, I think owe it to

the people of the State to go out and physically look at these comparables so that we know what we are comparing. And I don't think that they should be taken ---

ASSEMBLYWOMAN HIGGINS: Mr. Tanzman, I am only going to point out to you again the fact that you, yourself, requested that this type map be drawn up for the purpose of the Committee.

ASSEMBLYMAN TANZMAN: So that we could use it for guidance.

ASSEMBLYMAN BATEMAN: That's what I expect he is going to do.

ASSEMBLYMAN TANZMAN: I want to be careful what he is going to do with it.

ASSEMBLYMAN BATEMAN: Let's let him start --

ASSEMBLYMAN TANZMAN: O.K. Let him start.

ASSEMBLYMAN BATEMAN: [Continuing] -- and then all of us can feel free to criticize as he goes through.

ASSEMBLYMAN TANZMAN: O.K.

ASSEMBLYWOMAN HIGGINS: Now, as I understand it, as he presented this to me this morning, this was a map that was drawn as we requested and the comparatives used here are the ones that have been mentioned in the testimony. I think we have identified some of them. If you'd like to go through them - or, Mr. Ferrara, would you like to continue identifying them?

MR. FERRARA: Well, I think at the moment, Madam Chairman, we have answered the pertinent ones. Certainly if there are any more questions, I'd

be happy to answer whatever I have on it. But I think at this point my question to Mr. Brown was:

Q In view of receiving the appraisal report from Mr. Slothus and the comparables that Mr. Slothus had and in view of any of this information, to whatever extent you may have knowledge of it, Mr. Brown, what did you do in reviewing Mr. Slothus's appraisal or Mr. Daly's, your staff appraisal - what did you do?

ASSEMBLYMAN TANZMAN: Madam Chairman, before Mr. Brown answers that question, I would like to ask one question first, through you, Madam Chairman:

Mr. Brown, before you answer any questions, will you please tell us - what is your function in the Department? Are you an appraiser? Are you an evaluator? Are you a reviewer? What are you?

MR. FERRARA: Fine.

THE WITNESS: I am the Director of the Green Acres Division, which administers the Green Acres part of the Department's program. My responsibilities are general public administration for the program. I do not have an appraiser's background or a real estate license. That's not my field.

ASSEMBLYMAN TANZMAN: Through you, Madam Chairman - In other words, Mr. Brown, does your function have anything to do with determining values? Are you the judge as to whether or not an appraisal is good or not good, as to whether a value is in line or not in line? Is this part of your functions because if it

is not, then Mr. Ferrara is asking the wrong questions of this witness. Perhaps they should be asked of the Commissioner.

THE WITNESS: Mr. Tanzman, it is correct, it is not my function to evaluate an appraisal as to whether it is good or bad or complete. The purpose of having technical personnel such as Bernie Daly with his long background and ability to do this is the way that this is performed and also, of course, in Commissioner Roe we have a person with a substantial background in the field too. My function is really to administer the selection of appraisers, the ordering of appraisals, all the recording in relation to appraisals that are received, the selection and assignment of staff to go out and verify appraisals - all of those matters.

I do review the appraisals with Mr. Daly. We do discuss the points that should be presented to the Commissioner. Together, we present these to the Commissioner.

If I may, and it is not out of order, I must say that I am not able to comment on this material and I cannot cooperate by doing so because this is very complicated material. I have heard testimony for two days on all these matters and I am familiar with them, but I would have to study this very much in the line that has been suggested before I would have any comment about what I would do about any of the things that are described on this map or this list.

ASSEMBLYMAN MANDELBAUM: If you would, Madam Chairman, I would suggest that we ask these questions of the Commissioner or Mr. Daly who is also here instead of this witness.

ASSEMBLYMAN BATEMAN: Well, there are some questions that we could ask this witness. I have some.

ASSEMBLYMAN TANZMAN: Yes, as to the program.

MR. FERRARA: Madam Chairman, certainly, of course, it was my understanding from reading the testimony that Mr. Brown is Director of the program and had over-all supervision. But certainly if there is anything not in your area, but in Commissioner Roe's, I am sure Commissioner Roe will be able to take care of it when we come to that.

Q So my understanding of the testimony was that as Director, you reviewed the over-all operation and there were instructions that your Department had made to the appraisers and the surveyers and forms which you have submitted to us. My only question in this regard is: Do you have any responsibility in seeing that the appraisers follow out the procedure? If you haven't, fine and we will pinpoint it later on with Commissioner Roe. A Yes. I have responsibility that all of the procedures are followed, that the services are performed in general as we require them and describe them and that everything is in order.

Q Now in that regard, Mr. Brown, did you check to see whether Mr. Slothus complied with the procedures which you had set forth for him, which the Department had set forth?

A I have examined Mr. Slothus' appraisals a number of times.

I have discussed them with Mr. Daly a number of times.

Q And did you check that against your instructions, your Department instructions which you gave to us?

A I did not. - I did not try to determine the detail of the appraisal, whether every paragraph of the instruction was completed and so forth, nor did I try to determine what the location and other characteristics of the properties referred to were.

Q Mr. Brown, let's take a very specific one. Part of your instructions - they are quite elaborate - they are about seven pages, the Department's instructions - is that the appraiser is supposed to set up the back history of the current title, title of that owner, whatever the history of it, for five years back.

A That is correct.

Q That would have included in the case of Thunder Mountain, the purchase by Mr. Wilson.

A That would be correct.

Q Now Mr. Slothus' appraisal was devoid of information on the Wilson appraisal. Did you check that out and ask Mr. Slothus why?

A Mr. Slothus was requested to provide that information after he submitted his appraisal without it.

Q All right. I understand there was a letter that indicated a two-deed instrument and a mortgage.

A In this connection, as you realize, we also had Mr. Daly's research and we had other research which was --

Q Well, how about in the case of Mr. Daly?

A I'm sorry. Go ahead.

Q I'm sorry. I asked the question both as to Mr. Slothus and Mr. Daly.

A We asked Mr. Slothus for the information that was missing from his appraisal. Mr. Daly asked him. Mr. Daly, as part of his analysis of the appraisal, knew that this information was required. He called it to my attention at the time.

Q All right. Now in addition --

ASSEMBLYWOMAN HIGGINS: Mr. Ferrara, are you going to use that map again now or do you want to come back here?

MR. FERRARA: Yes, just generally, Madam Chairman.

Q You also indicated through the testimony - at least the Department indicated through the testimony - that when the question was asked as to how do you arrive at some initial values for the purposes of determining whether you should acquire and also how do you determine what land should be acquired under this particular program and the information that you would have to put on the Federal application, how you would arrive at that figure - and my recollection of the testimony - and I can check it out page by page - was that you or Commissioner Roe - if you recall in our executive testimony, it was a cross-type testimony; it wasn't all direct - you indicated that through the parcels of land owned by the State, through the various divisions of your Department, it gave you a ready-made source of information for this purpose, to determine lands that are available and marketability of land. And I ask you in view of the fact that you do have parcels of land in this area, what, if any, information did you gather

that would assist your Department in arriving at a value for Thunder Mountain? A Mr. Ferrara, I mentioned we have discussed with the Committee for about two solid days the very extensive research that was part of our compilation of the whole market data we needed to make a decision and that is what it represents. You have enumerated some of it here. I have no idea whether it is complete or what it is so I can't comment any further on that aspect.

Q Well, Mr. Brown, what you are saying then is that the testimony which we received so far contains all of the records, or information rather, that you would follow or your Department would follow? A I would say that it represents substantially - that's the only comment I could make to what you are showing me up there on the map and to your question.

Q Well, all right. I didn't get enough information from the testimony. All right. Let me go on from there. Let me ask you this question; Mr. Brown: How long have you been with the Department with the Green Acres program?

A For four years.

Q I want to direct your attention to parcel number 6, which we will notice is the Wawayanda piece, and though we have requested a copy of this appraisal - a hundred-page record was put down on the desk here last week, one copy of it, and I quickly perused it, but I certainly haven't examined it all the way - that indicated that the Wawayanda piece consisted of 7,000 acres of land. And we had some testimony by Mr. Sevrin regarding a case of condemnation and regarding a question of an option holder, a gentleman by the name of Fred Ferber. Now, the information that I have - correct me where I am wrong -

the information that I have from the testimony is that the entire 7,000 plus acres of land carried an option price for 7,000 acres of one million dollars. That was the option price. And it was also indicated from the testimony that the condemnation - after the case had proceeded to determine the interest of this Mr. Ferber - it was determined that he had an interest and then the condemnation case was apparently settled by way of a purchase. I don't know. We don't have the complete record. But it appears to me that 4500 acres of that land was purchased by the State for \$990,000 and 2500 acres was left to Mr. Ferber that might indicate the sum of \$10,000 left. Now can you explain to me - when I look at this map here and I indicate these large red crosses to you, this is the proposed jetport up in Bearfort Mountain, the one that has been talked about and one which you have set forth in your "Jetport Book" as being a possible location of a jetport area, and I know it is conjecture, Mr. Brown -- A Well, I --

Q Let me just finish my question. Can you tell me in view of the dates that were involved in this particular thing, how the Department could have permitted this to happen?

A I don't understand the question.

Q Well, the Department permitted a settlement or a purchase of 4500 acres of land for \$990,000 when they could have - at least when there was an option for \$1,000,000 for the 7,000 acres. A Mr. Ferrara, I'll have to answer

you this way: I had no direct responsibility for the Wawayanda negotiation. It was in the hands of the Deputy Attorney General. From my association with the Department,

the Green Acres program, this was a pending condemnation and the Legislature also took cognizance of this pending acquisition. Therefore, I think you had better ask an expert witness to give you information about your prices and your questions. I do know that we paid \$990,000 for approximately 4,000 acres and that it was a court award for that amount.

Q All right. You are saying to me there was a court award of \$990,000? A -- of that amount.

Q O.K. Fine. This is information which we didn't have and I am looking for. But this was during your tenure in office? A That is correct.

Q And the Commissioner probably will have additional information on that? A And Mr. Sevrin will have a great deal of information.

Q Fine. All right. Let me ask you one more question until I can get it clear. Whose responsibility is it in the Department for determining which outside appraiser is to be used, outside appraiser? A Well, that is a joint responsibility. The final responsibility is the Commissioner's because he authorizes the order. To begin with, we have a list of 280 some appraisers. These are qualified people who submitted their qualifications and have been approved for that purpose. We are concerned with the area, with the size of the responsibility involved in the appraisal, with the qualifications of personnel involved. And then we try to make a selection which will give us the best appraiser with the best experience for our purpose and all of us in effect pool our knowledge of the past work of the situation itself to make a decision.

I personally consult with Bernie Daly and forward to the Commissioner a recommendation and a form for his action.

ASSEMBLYMAN BATEMAN: As Director, you don't select them then; is that right?

THE WITNESS: The Commissioner selects the man.

ASSEMBLYMAN BATEMAN: The Commissioner selects him.

MR. FERRARA: I don't think I have any other direct questions of this witness, Madam Chairman. It's up to the Committee.

THE WITNESS: May I make a statement?

ASSEMBLYWOMAN HIGGINS: Yes, of course.

ASSEMBLYMAN MANDELBAUM: Madam Chairman ---

THE WITNESS: I'm sorry. You go ahead.

BY ASSEMBLYMAN MANDELBAUM:

Q Now you say that the Commissioner selects the man. The Commissioner ultimately selects the man, as I understand it. Who primarily selects the man? In other words, who makes the recommendations to the Commissioner? A I forward in written form a recommendation to the Commissioner reflecting my endorsement that this man in my opinion should be hired for this appraisal.

Q In other words, you take the names off the list of 280? A Mr. Daly and I take the names off the list, discuss the job to be done and forward a recommendation.

Q And in this particular instance then, both you and Mr. Daly were the gentlemen who selected Mr. Slothus and Mr. Stanley and then recommended these names to the Commissioner?

A In this particular instance I did not select Mr. Slothus because my responsibilities in the program were not as Director until August 1963.

Q Who selected Mr. Slothus? A Mr. Daly to the best of my knowledge.

Q Who selected Mr. Stanley? A Mr. Daly and myself made a recommendation.

Q Together? A Yes, sir.

ASSEMBLYMAN BATEMAN: That answers my question.

ASSEMBLYWOMAN HIGGINS: Mr. Tanzman, do you have any questions you'd like to ask Mr. Brown?

ASSEMBLYMAN TANZMAN: No.

ASSEMBLYWOMAN HIGGINS: Mr. Brown, would you like to make any remarks?

THE WITNESS: Just very briefly, Madam Chairman. I as the Director of the Division am concerned that so far in the public hearing there has been no description of the extensive administrative operation that Green Acres represents, no acknowledgement that we have provided the Committee with very, very considerable material showing our procedures, our forms, our controls, our safeguards and all the rest. So unless at some point there is an opportunity to discuss that, to at least present it, I feel that there would be a completely one-sided, inadequate picture of how this program is operating in relation to appraisals and market research as well as in relation to all the other multiple matters that we

have. That was my main concern.

If I am not a witness again, my second concern is that in discussing this property, we have to buy what the market indications are the value is and that is the proper price for us to pay. But there is a clearly a value in this that has had no emphasis at all and that is what the purpose of this purchase was and what the quality of it represents for that purpose. And I hope and I trust that when you discuss this with Commissioner Roe you will get into these matters. Thank you.

ASSEMBLYMAN BATEMAN: Madam Chairman, I can make a statement on that if you'd like.

ASSEMBLYWOMAN HIGGINS: Mr. Brown, I think that your point is -- Excuse me.

ASSEMBLYMAN TANZMAN: I was going to say that if Mr. Brown would like to give us any background on the Department's operation or on any phase of this that you feel you would like to make part of the record, I think --

ASSEMBLYMAN BATEMAN: I'd like to ask the chairman if it would be possible to release Mr. Brown's testimony which was given to us in private hearings as background information. If Mr. Brown is willing to do that, I certainly am as a member of the Committee.

ASSEMBLYWOMAN HIGGINS: I think that is an excellent idea.

ASSEMBLYMAN TANZMAN: Madam Chairman, as a matter

of fact, I'd like to move that we release all of the testimony that took place prior to this time, that it all ought to be part of the public record. I don't think that there is anything that should be concealed from the public.

MR. FERRARA: Madam Chairman, the only thing --

ASSEMBLYMAN TANZMAN: -- except the fellow's income tax.

MR. FERRARA: See, that's the point. Madam Chairman, we did discuss this before we went into public session.

ASSEMBLYMAN TANZMAN: I think we could eliminate that which had to do with income tax.

MR. FERRARA: All right. There may be pieces of information that someone gave in an executive session that they would not want revealed in public; that is, some of the witnesses. That's all.

ASSEMBLYWOMAN HIGGINS: Well, I think that we could clarify that by your contacting personally the witnesses that gave you the income tax statements and we could black that out. The motion has been made and we will take a formal vote.

ASSEMBLYMAN MANDELBAUM: I second the motion.

ASSEMBLYWOMAN HIGGINS: It has been moved and seconded. All in favor say "aye." [All members present voted "aye."] Will the record show that it was unanimously approved that all of the hearings that were taken in executive session will be a made a

matter of public record and they will be available for the purpose of anyone who would like to look at them.

Now I would like to make the statement now that the reason we had these private hearings originally was with the understanding of Mr. Roe that we would do it this way because we felt that we did not want in any way to have this misinterpreted or the accusation made that we were on a witch hunt or that there was any political motivation behind this. We went into this investigation at the request of Mr. Roe specifically on Thunder Mountain and we felt in view of the fact there had been newspaper publicity of a political nature that it was only fair to the Department that we discuss all these things and try to ascertain as Committee members facts before they became public. We went public at the request of Mr. Roe that we make this a matter of public record as far as our investigation into the purchase of Thunder Mountain. Consequently we have and this is our third public hearing and we have now voted to make all the records public.

Now, Mr. Brown, would you then have anything further that you'd like to add? You recall your own testimony, I am sure. You have had a copy of that. I think you went very thoroughly into the appraisal practices and procedures and the Committee, may I say, was very much interested in this and we feel

that we will have some recommendations in this area. I would like to ask you one question.

BY ASSEMBLYWOMAN HIGGINS:

Q After our hearing that we held in private we raised some questions. I wondered if you have made any changes at all in appraisal practices since that hearing? The date was --

A That was in December.

ASSEMBLYMAN TANZMAN: December of '64.

Q December of '64. A May I verify this? We have circulated the total list of membership in the MAI organization as representing the most qualified and experienced in appraisal backgrounds and invited participation in the program and I am very pleased that we have had 49 acceptances out of approximately 100 eligible persons.

Q Well, fine. Then one of our suggestions was adopted and that was that we make use of the experienced appraisers in the MAI.

ASSEMBLYMAN TANZMAN: Madam Chairman, through you, one further question of Mr. Brown on the same subject.

BY ASSEMBLYMAN TANZMAN:

Q These appraisals were made in 1963. Has there been any change in the appraisal procedure between 1963 and now? Or can the Commissioner answer that if you can't? A Yes, I would say there has because we have some additional staff. We are very shorthanded but we have now more men that we can put in the field to do our spot research. And I would say that we now have a much more complete schedule of field verification and examination of the data submitted by our fee

appraisers. I also know that we have involved ourselves in more consultation both before they go out to do the work -- We don't rely on a written request. We very often have a face-to-face consultation. We very often have consultation in the process and at the end if it's in order. And this is almost entirely the procedure, consistently the procedure, in any difficult or complicated appraisal.

Q In other words, you feel you have upgraded the quality of your appraisals since the -- A Mr. Tanzman, I feel that we have expanded our list to the extent that we now have most, if not substantially all, of the qualified people in the State available to us. We have definitely refined our procedures. We have added some personnel and some techniques that I think represent in my opinion, of course, a very good order of examinations.

ASSEMBLYWOMAN HIGGINS: Well, I am sure the Committee feels gratified to hear this because we think we made a few suggestions to you at the time, as the testimony will show.

BY ASSEMBLYWOMAN HIGGINS:

Q Mr. Brown, one question I would like to ask you specifically in your area: Mr. Daly as an appraiser for the staff - is it customary -- I know, I understand he testified that he has many appraisals to make and that he doesn't usually give a full appraisal in writing to you because he has in his files -- A That's correct.

Q The reason I raised the question was because when we asked for his appraisal, we got a one-sheet copy with no

description and any of the usual things that you find in an appraisal. A That is so. Let me mention though that he does have a file of all of his field notes or his staff's field notes and whenever it is necessary we can, and we have, and I can show you appraisals that have been prepared in full by staff entirely according to this manual for a record purpose or for a decision purpose. But with the problem of time and so forth, we rely on the background file plus a summary statement. We have, as a matter of fact, about 1700 parcels that have been appraised under the Green Acres program so far.

Q 1700. A 1700, so that it is a very great volume. We have used approximately 75 individual appraisers.

Q Now in the 1700 appraisals that have been done by Mr. Daly or the four, as I understand it, you have on your staff - of course, every one of those also had an outside appraiser? A Yes. You have, of course, a list --

Q -- a list of whom of this group. A Also the appraisal information. From the previous testimony, if you recall, we gave you a list of all the contracts and closings as of September, '64.

Q Right. A -- with appraisal information - who did the appraisal - I mean, what the appraisal was, what our staff appraisal was, and what the purchase price was.

ASSEMBLYWOMAN HIGGINS: Thank you. Now is there anything further of Mr. Brown?

THE WITNESS: Well, Mr. Bateman mentioned that I might use the opportunity to give a comment about the value of Shepherd Lake as a recreation and open-space

area. Commissioner Roe has the aerial map and all and I would rely on him to go into this in detail. But I just want to stress because it hasn't come out that what we are talking about is a very, very important part of the State, the northern metropolitan area of the State, that according to our Division of State and Regional Planning's open-space comprehensive plan for the State of New Jersey, we have a deficit of about 40,000 acres in this population complex of 4.8 million people and that's where we stood in 1960 on all the information and ratios that could be developed from many sources. So we had the very urgent responsibility to acquire an area such as the additions that we are acquiring to Ringwood and we can scarcely do less than to acquire these areas if we are going to meet the most urgent needs of the growing population in this most critical part of the State.

And finally, Shepherd Lake in my opinion has all the virtues you could seek for this kind of a recreational, open-space value.

ASSEMBLYWOMAN HIGGINS: You know, I agree with you, Mr. Brown, that in the course of the testimony that we have all heard, openly, and in the testimony that we received in executive session, there was only one appraiser that used as the highest and best use, the continuing use of the property, and then unfortunately he proceeded to go into the highest and best use as a residential property and for the purpose of his appraisal

tried to show us that the value of the land was determined on the basis of executive residential homes and we had more emphasis on the land being developed for a development than we did on the use of it as a resort. And I am awfully glad that you had the opportunity to point out publicly that this certainly is an excellent recreation area and the whole area in the northeastern section of our State has some beautiful land and should be part of the Green Acres program.

THE WITNESS: Excuse me, Madam Chairman. It's part of the value that you are considering when you consider what the State has done in this acquisition.

Thank you.

ASSEMBLYWOMAN HIGGINS: Thank you, Mr. Brown.

Mr. Roe. Commissioner Roe, we have been swearing in our witnesses. Would you mind?

COMM'R ROE: I'd be delighted.

R O B E R T A. R O E, being duly sworn, testified
as follows:

ASSEMBLYWOMAN HIGGINS: Commissioner, we are going to try our best to wrap this up today. I want to be fair and I don't want you in any way to feel limited in making any statement you wish to make. But I think that it is only fair to you and to everyone to point out we have made a commitment to one of our members that we will stop today at 12:15 and that if there is anything further that you wish to bring forth

or testify to, certainly we as members of this Committee would give you any opportunity in the future. Now we will have to postpone anything until after August 14th because of conflicting vacation dates. But I just thought I would make that a part of the record now so that we all understand that we are not in any way trying to rush you or cut you off in any testimony that you feel you would like to give.

I don't know whether you have any prepared statement. If you do, we would be happy to have that as part of the record. If you do not, we will proceed. Would you care to make any remarks first or would you like to have questioning?

COMM'R ROE: Well, if I may, Madam Chairman, I think the first thing I would like to clarify - and I don't mean this unkindly to the Committee - but I would suggest that there is a matter of grave import before this State, as I see it, and it seems to me it is fundamentally based upon whether or not the State of New Jersey and the people of the State of New Jersey who voted for the Green Acres Open-Space Program, one of the leading states in the Nation, one of the first states in the Nation and the most urban state in the Nation, if I may - to determine whether or not we want the Green Acre program to be inviolate and whether or not we want it to be the type of thing we are trying to do with it.

I'd like to reiterate a bit, if I may have the

courtesy of this Committee, to point out a few things. At the outset, this Department, myself and other people, were viciously attacked a year ago in the newspapers by certain parties, at which time I felt it incumbent upon myself as Commissioner of this Department to do everything possible to bring to the attention of the people of this State and the Legislature and all the folks that are interested in government in New Jersey as to what the facts are and what we are trying to do and also to bring forth the fact that we are following the mandate, if you like, of the people, and I think that comes first.

At that time, in July of 1964, I communicated with you and you have so well put it today that I have asked for the Legislative Committee to look into this matter. If I may and without being redundant, I had said that [Reading] "I was pleased to learn of the formation under your chairmanship of a Special Committee of the General Assembly..." And I said: "As you may know, this Department and I have been subjected to a number of charges and allegations regarding acquisition under the Green Acres program of the Shepherd Lake-Thunder Mountain recreation area as part of the expansion program of Ringwood State Park in Passaic County." I said to you that, "I consider these charges to be highly irresponsible and to threaten the success of the Green Acres program throughout the State.

"Although this Department has a number of times provided detailed answers to these charges, the allegations have continued. It is vitally important to the State of

New Jersey that the integrity of the Green Acres Open Space program remain inviolate. To assure this position in the public interest, I respectfully call on you and your Committee to" look into this matter.

ASSEMBLYWOMAN HIGGINS: Mr. Roe, do you have a copy of the answer, my letter in answer to you?

COMM'R ROE: Oh, yes. You asked me if I was going to add direct testimony or indirect testimony. May I please state the facts first.

Now I don't say this in any recriminatory way at all because I am most cognizant of the fact that the Assembly, the Legislature of this State, along with the Department of Conservation, if I may, is extraordinarily busy and it does take time to review these matters. On the other hand, I think it is highly incumbent - and I am very pleased to see that the Committee today has agreed in unanimity to place the so-called private testimony into the public domain so that everyone has the right to see this particular testimony because, as I recall it, at the time when we talked about private testimony, the point in question was that this State and this Department, or through this Department, was busy doing considerable work in the area - negotiations, appraisals and what have you, - and that we were precluded for one full year, up to today, of being able to put into the full public view all of those facts because we would be jeopardizing the State of New Jersey and this Department in the acquisition of this property.

I think it becomes obvious at that point - and nothing

meant - what would you say? - unkindly -- it becomes obvious that we cannot negotiate and buy land in the State in a fishbowl. Although after the fact, every information that is available certainly should be made public and it is public. So I think that it has been very difficult for this Department and all the people involved in it to sit patiently and silently for a year, knowing full well one thing which I think is highly germane, that when we presented this program to the Committee, we presented it in full. Every bit of information that was available was presented to this Committee and the Committee has honored that and that I respect. And I think that had that testimony been made public, if it were possible to have made it public a year ago or in the course of the testimony, that a lot of these points that are highly irrelevant and dealing in minutia would certainly not have been questioned by the press or any intelligent, responsible citizen who understands what the over-all program is.

I think it is important on the aerial photograph that we had discussed with the Committee a year ago, we pointed out that the acquisition of Thunder Mountain was only part of an over-all acquisition and I think, as Mr. Brown pointed out, we have to recognize that on all of the planning data that has been developed in the State through our State Planning Commission and what have you in our Department, that New Jersey is facing the greatest explosion of population, perhaps more so or at least equal

to states such as California and the very populous states. The projection for the next ten to fifteen years is that New Jersey will have a million to a million and a half more people. I think it is important to point out that of the million to million and a half more people they are talking about, that 500,000 of those people are projected to live in the four-county region of Hudson, Essex, Bergen and Passaic Counties. Now I think it is important to point out, as Arlo Brown has quite clearly put it, that the ratio of open space is approximately 20 acres per thousand people. We are void, if you like, or devoid of substantial open space in the northeastern part of the State to meet the needs of the population in that area.

I think it is important on this aerial photograph which we presented in testimony in the so-called private testimony to indicate that the Shepherd Lake and the land area surrounding it was part of that acquisition, along with the Green Engineering property or part of the Green Engineering property, the Ringwood Company property owned by Wehran, I believe, and the Shelton College property. We did not go into too much depth and detail in our discussion on the Shelton College property at the time because it was in the matter of preliminaries as we saw it.

ASSEMBLYWOMAN HIGGINS: No. At the time actually you did not in any way indicate that you were considering the purchase of it.

COMM'R ROE: We were working on it. There are

references in the testimony. As I understand it, we had talked about it, but we did not get into the depth and detail that perhaps we will today.

Now I think the important point --

ASSEMBLYMAN BATEMAN: Excuse me, Commissioner. Are you going to tell us today about the purchases that I read about in the paper this morning?

COMM'R ROE: Oh, yes.

ASSEMBLYMAN BATEMAN: Good. O.K.

COMM'R ROE: So therefore that established a year ago the parameters of the program.

ASSEMBLYWOMAN HIGGINS: This was the original project that you mentioned in the testimony of the two million dollars --

COMM'R ROE: That's right.

ASSEMBLYWOMAN HIGGINS: [Continuing] -- that you made an application to the Federal funds on the basis of a project that was worth two million. There were three parcels involved that you testified to in December --

MR. FERRARA: Not the Shelton College property.

ASSEMBLYWOMAN HIGGINS: Not the Shelton College property.

MR. FERRARA: Shelton College wasn't included.

COMM'R ROE: No. I think that this will, of course, come out when you publish the testimony.

Now if I can get back to my point of view, there have been certain specific points raised - first of all, a point about road access. And this is, of course, too bad

that this so-called private testimony was not made fully public at the time.

In the first place, it is utterly a ridiculous point of view in my opinion and I will tell you why.

ASSEMBLYWOMAN HIGGINS: This is --

COMM'R ROE: -- the road, the great moment that has been made out of the point and I would subscribe to the point of view for some, what would you say, vicarious reason which I think I'd like to have the opportunity to explain. The charge has been made clearly and concisely by one antagonist that the only way to get into Shepherd's Pond or Shepherd's Lake, was going through New York State. That categorically, unequivocally is not true. It is not true. May I explain that point?

ASSEMBLYWOMAN HIGGINS: That's what I would like.

COMM'R ROE: I want to get to it. Give me a chance.

Now, first of all, when these deed references were checked out, which I had thoroughly reviewed myself, and we checked it out -- The Attorney General testified only recently who handled this case for us that the State did have the prerogative of using the roads going through the Shelton property and also coming off of the Sloatsburg Road, without buying the other pieces of property, regardless of what it says in that particular newspaper.

A subsequent review by the legal people involved in this situation indicates that there was an exchange of rights on these roads back in 1892. I believe the gentleman's name was Hewitt. An exchange of rights had

been clearly checked out, point by point, in about four or five references to the deeds and there is no question that the Lawyers Clinton Title Policy Company supports that particular position. Now I think that that is significant.

Furthermore, the illusion that has been attempted to be created that only people from New York could get to this particular site - and I again subscribe to this Committee that that is ridiculous.

Also, another germane point relating to --

ASSEMBLYMAN BATEMAN: If you are going to another point, I'd just like to --

COMM'R ROE: I am talking about the road now. .

ASSEMBLYMAN BATEMAN: O.K. I have a couple of questions.

COMM'R ROE: Another point I'd like to make as far as the road is concerned, when we presented the testimony to the Committee in private - and this is not meant to be recriminatory in any way - we pointed out that the program envisioned the acquisition of the Ringwood property and it also envisioned the acquisition of the Green Engineering property. And if you will note on the map and also on the other map that we have with us that there is an additional road that goes through the Ringwood Company. We were most cognizant and most aware of this particular point.

ASSEMBLYWOMAN HIGGINS: Mr. Roe, just to make the record straight, you refer to one person having made this charge about the accessibility. Actually, the question

ASSEMBLYWOMAN HIGGINS: But also from New Jersey.

COMM'R ROE: By all means from New Jersey.

ASSEMBLYWOMAN HIGGINS: Yes.

COMM'R ROE: May I also comment that we literally in New Jersey own a part physically located in the State of Maryland.

ASSEMBLYWOMAN HIGGINS: I know that.

COMM'R ROE: So when we talk about moment and the way this thing has been blown out of proportion, not based on the facts, I don't think it really has any bearing upon the situation at all, except from the point of view --

ASSEMBLYWOMAN HIGGINS: Well, it is a matter of opinion and I did feel a little bit nonplussed to find that I couldn't drive through Shelton College road. I assume that it is open now. Mr. Tanzman found it open. So perhaps your Department has worked out some way that the gate is unlocked.

ASSEMBLYMAN BATEMAN: Through you, Madam Chairman, may I ask a question.

BY ASSEMBLYMAN BATEMAN:

Q Commissioner, no matter what we do in road building - and I certainly hope that in your acquisition plans, the property becomes accessible from New Jersey - would you agree with me that no matter what we do in road building, the most accessible access to the property will be ~~and~~ the roads that are used the most and the areas that the people will come from the most - will be Route 17 and Sloatsburg Road, isn't that so? A I do not

agree with that. I do not subscribe to the point that New Jersey does not have access. I just testified unequivocally, backed up by the title company, New Jersey does have access through the Shelton College property. There has been great moment made that the Shelton College property had 26 miles of wonderful roads and what have you and I called to your attention that part of our access that we are talking about was through those roads. So I do not subscribe to ---

Q You don't agree that that would be the best way for people to come to Thunder Mountain? A I do not, sir. The purpose of our acquiring the land, of course, is to round out Ringwood.

Q I respectfully disagree. A Well, we have the right, of course, to disagree.

ASSEMBLYWOMAN HIGGINS: Anything further on this point? Mr. Mandelbaum, you had a question?

ASSEMBLYMAN MANDELBAUM: No.

ASSEMBLYWOMAN HIGGINS: Thank you, Mr. Roe. Go ahead.

COMM'R ROE: Now great moment, I think, has been made in the value of lands and I really enjoyed the point of presentation again that Mr. Ferrara made and I think that Mr. Ferrara is in his professional position attempting to present the facts to the people and to this Committee as he sees them. But I am also glad to point out or pleased to note that he said categorically that he is neither an expert, he is neither an appraiser nor is he an engineer and what facts are purported to be

facts have to be presented in their proper light.

This is the purpose of our Department hiring the best experts at least that we think are available in the State of New Jersey.

ASSEMBLYWOMAN HIGGINS: Of course, unfortunately as a Legislative Committee we don't have the funds to be able to hire experts to be able to look into this matter the way you were able to.

COMM'R ROE: I think that is highly regrettable. I think that when we are dealing - and if I may direct attention to that - I think that when we are dealing with these important matters that are so important because what we are talking about today is not Thunder Mountain - we have literally put the Green Acres program on trial and this is what we are talking about today and that is why it is so important that point by point this matter that has been given this type of publicity, again an antagonistic type of publicity, not on the part of this Committee - that it be explained. And I think it is regrettable when these major matters of state that affect this State do not have the funds available to be able to do the proper research that is necessary. Otherwise, I am sure the answers would come out a lot differently than they have.

ASSEMBLYWOMAN HIGGINS: And also are you also aware of the fact, Mr. Roe, we have been seriously handicapped by the fact that our Legislative Service staff with their reporters have worked diligently and hard, but they have had many hearings during the summer months - everybody

has been trying to make up for the time we lost during the reapportionment period and we have had difficulty in getting our transcripts - and I wanted to go on record again today that we had the same difficulty, but thanks to the good offices of Colonel Kelly we were able to get our transcript last night and I think that it is deplorable that this is the situation as far as we as legislators are concerned.

COMM'R ROE: I am pleased that the Department was able to be of help as far as getting transcripts made up for you because I think it is that important.

ASSEMBLYMAN TANZMAN: I think as long as that point is being made, Madam Chairman, I think we ought to acknowledge that Commissioner Roe through his good offices got us these transcripts of this last public hearing.

ASSEMBLYWOMAN HIGGINS: I think that reference is to the fact that Commissioner Roe has had his own reporter present at the public hearings.

COMM'R ROE: Only to be helpful.

ASSEMBLYWOMAN HIGGINS: And we appreciate the fact that we were able to use their services.

COMM'R ROE: There was moment made of whether this property had been surveyed or not. I think that is an important point.

In the first place, we have to, as Director Brown has pointed out - it is incumbent upon us, as it is upon this Committee, to rely upon their technical people. We have a battery of lawyers that work for us; we have fee

appraisers, as was discussed this morning; we have engineers and technicians - all in the direction of trying to do the best possible job we can with the tools we have to work with.

Now as far as the closing of that property is concerned - and I would like to touch upon that a bit - it was originally reported that there were 541 acres in that particular land area. The deed description from the Wilson people to the State of New Jersey was identically the same. Secondly, the Attorney General had received a plotting and a certified plotting from the engineer who had done the work - I believe his name is Whitehead - who had done the work in that area for many, many years. And apparently, and I do not wish to testify for the Attorney General, but I believe he has already done so - that he was satisfied as a lawyer that the plotting and the deed that he received was adequate for the State to close that property.

ASSEMBLYWOMAN HIGGINS: Mr. Roe, I think that the only reason that the Committee raised the question of Mr. Sevrin or at any time brought up the question of the survey was because in your procedure instructions that are given it clearly states that a survey must be present at the closing and we were trying to ascertain if such a survey was present and Mr. Sevrin did testify last week that there wasn't a survey at the time, but since the commotion had been raised about a survey, one was prepared.

COMM'R ROE: Well, that is not the reason that the Commissioner had the survey made. May I again expand upon

that point of view?

In many areas in Bergen County, in the urban areas there, we are paying as much as thirty to forty thousand dollars an acre for land. In this Cape May area, we are paying anywheres from thirty-five dollars to eighty dollars for land. The cost of surveying the wet lands and the ambiguity, if you like, of those deeds would be ten times the cost of the acquisition of the property. I think as an administrator, I think it is my responsibility, my best judgment in the interest of the people of the State, to make those decisions that are germane to the program in the areas that we are acquiring. If we are satisfied on the basis of corroborating information from engineers who have surveyed the area that the plotting is accurate, at least to the best of our ability and our acceptance of it, I think we are proper in accepting it.

Now the reason that the Commissioner had a survey made - for two reasons - points had been raised, for example, about the ambiguity of the New York-New Jersey line. Again I respectfully call to the attention of the Committee that those border disputes, you know, like the --

ASSEMBLYWOMAN HIGGINS: I understand.

COMM'R ROE: [Continuing] -- what do they call it? - the sheepherders and the cow herders out West - were settled by a commission between the State of New Jersey - many years ago. There was one line that was in question in this particular area and had not been surveyed, and that line has been checked. I personally wanted to know for the

good and interest of this State that that line was accurate.

ASSEMBLYWOMAN HIGGINS: So you asked them to show the metes and the bounds.

COMM'R ROE: Furthermore, as a matter of course, I am interested in what the survey would show in the area because of the development of the property and the plans we have for development. I might call to the Committee's attention that the survey will cost us somewhere in the neighborhood of fourteen to sixteen thousand dollars.

ASSEMBLYWOMAN HIGGINS: So being economically-minded, I wouldn't have been so eager to ask for a survey if I had known it cost that much.

COMM'R ROE: That's our feeling. I think again - I am directing this only for the Committee's evaluation on the basis of the fact that these points are important, that we are following proper steps. We have also had that double checked because you know even appraisers and engineers do make mistakes and we just wanted to be sure they were right. We had another certified plotting made by the Renault Harvey Company who certified again that the plotting was correct. So I think that in all due deference and credence to the legal staff involved, this point was very important.

There was a question and a genuine error made in typing in that particular deed.

ASSEMBLYWOMAN HIGGINS: Yes, I noticed that.

COMM'R ROE: And the reference has been made that

there were 435 acres, not 535 acres. The deed itself in the description, which any lawyer, any person competent in that field, would say that the description is the governing item, not necessarily the reference to the quantity of land. Granted and admitted - no question about it - there was a typographical error and we so put that out as soon as --

ASSEMBLYWOMAN HIGGINS: Mr. Sevrin sent us a letter and drew our attention to that and the fact that the typographical error has been corrected so that the deed is now accurate.

COMM'R ROE: Well, the deed was accurate. I just don't like to leave that loose. The deed was accurate to begin with.

ASSEMBLYWOMAN HIGGINS: -- except for the one typographical error.

COMM'R ROE: -- the typographical error - and that was corrected. It would not have been evidential in evidence if there was anything further beyond that particular point.

BY ASSEMBLYMAN TANZMAN:

Q Through you, Madam Chairman, to clarify that, Commissioner, if anybody took the time and effort to plot out the deed by the metes and bounds contained in the deed, they would have gotten the 535 acres?

A Sure. I noted in the newspaper and I am bringing this point out because I think it is germane to the Committee - I know the Committee wants to do the right thing - that again a particular antagonist took the position that he had three engineers in the Clifton area who are not capable of closing this property. Well, I subscribe to the point of view that we have had two engineers who have already closed it and it has been checked

out and surveyed.

Now I think that that should at the moment dispense with the survey part of this.

I think it was important, as Arlo Brown has pointed out, from an administrative point of view, that we have 284 appraisers that have been approved, so-called approved, on the State's list. We had a number of MAI's before that. We have canvassed, as Arlo pointed out, the additional ones. Out of the roughly 70 or 80 - and I am not sure of that total figure in the State - 49 of them have indicated their interest in the program and also the so-called SRA's and people of that particular background.

I also call to your attention that if we have already appraised 1700 tracts of land and also the point that we are backed up now with probably about two or three thousand more, that we are literally fighting a race against time. We are fighting a race against time because of the inordinate increased value of land in the State of New Jersey. There is not a piece of land in the State of New Jersey that anyone could refer to and say that it is not valuable or literally in my opinion put some kind of a value on that particular property, even though the experts utilize the so-called points of comparability and we have to go by certain standards as I see it.

BY ASSEMBLYWOMAN HIGGINS:

Q Mr. Roe, in the usage of appraisers - we have had various testimony on this - and I gathered this morning, Mr. Brown said that you are the one who selects what appraiser - who is used? Were you the one that selected Mr. Slothus and Mr. Stanley or Mr. Weiss's company? I think you so testified. A The

procedure that is followed in the selection of appraisers -- First of all, these appraisers have to be approved by our appraisal staff. Now how are they approved? They are approved on the basis of their being MAI's or SRA's, which are the leading appraisers in the State - the leading organizations I should say - and also on the background of the work that they have done and we have to be guided from a professional point of view - and may I say this - I think that there has been a very serious personal attack professionally made upon these particular people. We are guided by their dossiers and their background and the people whom they work for. If they have been accepted by Highway, if they have been accepted by Turnpike, if they have been accepted as qualified appraisers by the leading industrialists of this particular State, who are we to say that they are not qualified? The only way we can determine that is if we feel that the job that they may have done is not in our opinion in the best interest of our particular Department.

Now in this particular instance, the staff makes a recommendation to me. When we talk about 1700 properties already appraised, there could be as many as 3000 appraisals made because in many areas there are two or three appraisals made. Consequently, when those recommendations are made - and they make them to me - they make them on the basis of their best judgment as to what appraiser should be used in that area. I have never personally met Mr. Slothus. I wouldn't know him if I fell over him at this particular point, and I don't again mean that unkindly. There is no reason to believe that on the background and the quality and the work of the companies

and the other agencies that he has worked for that he is incompetent or incapable, not that this Committee has suggested that. But I do say this, that the testimony that has been forthcoming, that has been published, puts a very grave, serious doubt upon his ability.

BY ASSEMBLYMAN BATEMAN:

Q Through you, Madam Chairman, were you aware at the time of his selection for this that his appraisal for the Florida Lakes property had been \$100,000 over what your Department eventually bought the property for? A Specifically on the Florida Lakes property, if I may, Mr. Bateman, I looked into that and I think it is important to point one thing out, that there were two appraisals made on that property. One appraisal was made by Mr. Slothus and the other appraisal was made by a gentleman by the name of Fisk who is a MAI and is a high-level member of the firm of Feist and Feist, which is a leading real estate firm in the State of New Jersey. I just want to get those facts here for you.

BY ASSEMBLYWOMAN HIGGINS:

Q In answer to Mr. Bateman's question, were you aware of the fact that Mr. Slothus's appraisal was \$100,000 over Mr. Feist's appraisal? A Well, I want to check that figure, Madam Chairman because with all due respect to Mr. Bateman --

MR. FERRARA: It's not a hundred thousand over Feist's appraisal. It's a hundred thousand over what the State purchased it for.

ASSEMBLYMAN BATEMAN: That's what I said.

MR. FERRARA: Feist's appraisal was \$433,000.

COMM'R ROE: That's right. Feist's appraisal was \$433,000 and I believe the other appraisal - and this one I can't find - from memory is about ^{four}/hundred and --

MR. FERRARA: -- four ninety-two or ninety-five.

COMM'R ROE: -- four ninety-two. I call to your attention, sir, if I may, that the State bought that property for, I believe it was, \$398,000. We did not rely totally upon Mr. Slothus's appraisal at that juncture. We had two appraisals made.

Now again when we are saying that Mr. Slothus in his best judgment - and God knows I am not trying to try his professional ability - it is not my point to do that nor my function - the point remains that the State of New Jersey had two appraisals made on that. One was made by an MAI. There is no higher authority that we know of in the State of capability to be able to give us this information and the property was bought for \$398,000. I believe that was the correct figure.

Now if we want to build upon that, the question had come up of this particular point in the value of the land and what have you - and again I am not an appraiser nor am I attempting to try the value of these appraisals. On the other hand, what the State did - and the action that was taken, I think, is the germane point - we bought that property at \$35,000 under the lowest appraisal.

Now that was used as a comparable I note in the evaluation of Thunder Mountain and I note that moment has been made that the Florida Lakes property - and again I

don't mean this unkindly, Mr. Bateman - it was made by a member of the Committee - and I think if I may, with all due courtesy, say that I think it was a little bit premature because the full details are only being finally presented today.

ASSEMBLYMAN BATEMAN: Madam Chairman --

ASSEMBLYWOMAN HIGGINS: Mr. Roe, on that question --
Mr. Bateman, do you want to speak?

ASSEMBLYMAN BATEMAN: I think I might like to speak to that because we seem to be talking to the newspapers today. I made a statement at the last public hearing which you, Commissioner, referred to just a couple of days ago as prejudging and I wanted to make it quite clear that I had heard all the testimony from everybody who has been before this Committee before I made a statement. My statement, as I said, was my own and borne of the frustration of seeing what has come before us, with no one summarizing what seemed to be on the minds of many of us on the Committee. I said this as a person who was not only a sponsor of the Green Acres legislation, but who has made speeches around the State for it and who was on radio for it and wrote articles for it and believed that we are going to need in New Jersey another Green Acres program before too long and am convinced that the only way we are going to do this is to make darn sure that what we are doing is done in the best interest of the public.

My convictions were mine. I still hold them. When

I looked at the comparables and when I looked at the property and when I heard the appraisals - and I wasn't at all satisfied with the appraisers and I don't think the people on this Committee were -- I want you to know that I couldn't be less interested in the politics of this. That's not the way I operate. That's not why I made my statement and I think Mr. Tanzman would back me up when I say I don't react politically on the basis of these things. My interest is in a Green Acres program to be done right and my statement was a sincere one and I don't want it confused with any other statements that have been made by other people. It was my statement based on what I saw. If I have legally prejudged it, it is because I am a non-degree lawyer. But, believe me, I made my statement after hearing all of the testimony from everybody who came before this Committee.

ASSEMBLYWOMAN HIGGINS: On that point, Mr. Roe, you had made the remark that Mr. Bateman had prejudged and had not heard your testimony and actually you, yourself, just said a little while ago that you had given us this testimony in December as far as the acquisition of this whole piece, the two million-dollar project of the whole area which we were aware of. And I think, not in defense of Mr. Bateman, but rather in collaboration with him, Mr. Bateman was reporting on his visual tour of the property and he felt that he ought to call it to the attention --

Now you had referred a few minutes ago to a personal attack on the appraisers. Were you referring to the

Committee when you said that or were you referring to somebody else?

COMM'R ROE: I was referring to an antagonist.

ASSEMBLYWOMAN HIGGINS: You were not referring to the Committee?

COMM'R ROE: No, I would not demean the Committee with that kind of a comment.

ASSEMBLYWOMAN HIGGINS: Because I would like to respectfully point out that any bad impressions given by the appraisers were not done by the Committee but by their own testimony.

COMM'R ROE: May I just say --

ASSEMBLYMAN TANZMAN: As long as we are making non-political statements this morning, I'd like to make a non-political statement also.

ASSEMBLYWOMAN HIGGINS: Through me --

ASSEMBLYMAN TANZMAN: -- through you, Madam Chairman.

ASSEMBLYWOMAN HIGGINS: [Continuing] -- you would like to make a non-political statement.

ASSEMBLYMAN TANZMAN: It will be very short.

ASSEMBLYWOMAN HIGGINS: Now may I respectfully call your attention to the fact that we are not here to go on record as politicians.

ASSEMBLYMAN TANZMAN: No. I would like to say that I was also a co-sponsor of the Green Acres program and with Mr. Bateman appeared on the radio many times and like Mr. Bateman made speeches all over the State for this program. So I too am concerned and anxious that this

program be successful because I feel, as I am certain all of the members of the Committee feel, that this is extremely vital to the people of this State, that we get this open land and we preserve it for the future while we still have the opportunity.

However, having been engaged in the real estate business for some 27 years --

ASSEMBLYWOMAN HIGGINS: Let the record show that Mr. Tanzman is an MAI.

ASSEMBLYMAN TANZMAN: I don't even care about that. But if you want to, I am also an SRA and a member of the Institute of Real Estate Management, as long as you brought it up, Madam Chairman.

ASSEMBLYWOMAN HIGGINS: You're welcome.

ASSEMBLYMAN BATEMAN: Eminently qualified.

ASSEMBLYMAN TANZMAN: I did visit the area and I would be guilty of the same thing as I criticized Mr. Bateman for last week of being premature in prejudging this thing if I thought that I could assimilate all of this in one day's trip to that area. I think it takes considerably more time and more study to venture an opinion than just one day's trip and with that I close and I am not attempting to castigate Mr. Bateman or am I attempting to belittle him. I just think that even as a so-called expert --

ASSEMBLYWOMAN HIGGINS: That is your opinion.

ASSEMBLYMAN TANZMAN: [Continuing] -- in this field that I couldn't judge just on one day's field trip to an area.

ASSEMBLYWOMAN HIGGINS: Mr. Mandelbaum, would you like to make a non-political statement?

ASSEMBLYMAN MANDELBAUM: No, not at this time.

ASSEMBLYWOMAN HIGGINS: I would like to go on record as saying that I too made speeches for Green Acres all over the State of New Jersey and I too am very much in favor of the program. I could go into my background as a former Park Commissioner, etc., but I will not take the time.

COMM'R ROE: May I, Madam Chairman, to --

ASSEMBLYWOMAN HIGGINS: Mr. Roe, we will get back to you for some more non-political statements.

COMM'R ROE: I have no political statements to make at all. But I would like to suggest this, knowing Mr. Bateman as I do and knowing his public service, I think that he speaks of sincerity. I don't think there is any question about that nor do I wish to imply that in any way.

But I must get back to the cogent point. The cogent point, what a particular person's opinion may be, which is deeply respected and it must be - this is a fundamental format of our government - by the same token, it must be brought out clearly and concisely that there were two appraisals made on that particular property, one of whom was an MAI. The price that he put in to the Department was \$35,000 higher than what the State paid for it. So on the basis, not of Mr. Slothus's appraisal in toto, but on the basis of the information submitted, based on the highest tribunal, if you like, that is available to this Department or any other department, the judgment was made

at that juncture to acquire that property. Therefore, if I may, that became a matter of record and a matter of sale. But to presume that this was a so-called, as I have read in the testimony, a pyramiding - I don't think that the analogy is a fair one. I don't think it is an accurate one in my opinion. Otherwise, we must say at that juncture that Mr. Fisk of Feist and Feist also was incompetent and not capable when he went ahead and recommended to the Department the value of that particular property. That was his best judgment, as I see it, and we have to rely upon the best judgment of the experts that we employ to help us.

BY ASSEMBLYWOMAN HIGGINS:

Q Mr. Roe, the specific question, as I recall, that Mr. Bateman asked you that started all this was that Mr. Slothus's appraisal was \$100,000 higher than the purchase price of the State and he wondered if you had taken that into consideration at all when he was re-engaged to appraise Thunder Mountain.

A All of these matters are taken into consideration when a person presents their appraisal. And this, if I may, Mr. Tanzman, in all due respects to the MAI - may God forgive me, but it has to be said - we have had very highly capable people in the State of New Jersey who are MAI's and what have you who differ broadly in many aspects.

Q Just like all people differ in opinion. A But when we are dealing in the public interest and the public funds we have to have a yardstick and we have to employ -- Can we question the integrity of a judge as a professional? By golly, he is a person

and he has an opinion. Now these people are technically trained and I think that this is a highly germane point that must be brought forth. I don't think - and I know it is not the intent of the Committee to put the so-called appraisers in the State of New Jersey on trial. I don't think that is the question at all. But I think that if they present their views and what is their best judgment, we must be guided by some yardstick.

Q Of course, Mr. Feist's appraisal was based on his own judgment. He didn't use the comparable method in making his appraisal so, therefore, the fact that he was an MAI is very important. However, I think Mr. Bateman's point and the point that has been raised in the Committee hearings has been the fact that Florida Lakes was the highest price paid in the area for any lake property, lake-front property, and it amounts to about \$1700 an acre or \$1800 an acre. A Seventeen.

Q -- seventeen hundred an acre. And I think the question had been raised - why was that higher than any of the other comparables of the same type on Greenwood Lake? A Time and space - this was the best judgment at the time of the appraisal.

Q -- at the time of the appraisal. And then the question was raised when we found that Mr. Slothus had used his appraisal of Florida Lakes as a comparable for the Thunder Mountain purchase - we just wondered if there was any reason why he was selected as an appraiser when he appraised higher before.

ASSEMBLYWOMAN HIGGINS: Mr. Mandelbaum.

BY ASSEMBLYMAN MANDELBAUM:

Q Well, Mr. Bateman's questioning brings something else to my mind. It seems from his line of questioning that as far as I can determine the State got a very good buy on Florida Lakes and my question goes a little bit further. What was your first offer to the owner of the property of Florida Lakes?

A I genuinely don't know that.

Q My question is: It appears that the Department offered the property owner less money than both appraisals were for.

A We usually do that.

Q So that in this case, although you paid more money for Florida Lakes than any other comparables till that time, you still offered a taxpayer less money than the appraisers.--

A No question about that.

Q [Continuing] -- appraised the property for. A And we bought it for less.

Q And if you had relied upon the appraisers and made your first offer at the lowest appraised value, you would have paid even more money. A It's a conjecture; it's possible.

COMM'R ROE: If I may continue, Madam Chairman.

ASSEMBLYWOMAN HIGGINS: Anything further on that point?

COMM'R ROE: I think that we have clarified the situation on the aerial photograph. Would you drop down the map behind it? [Map displayed.] I think that in the presentation that Mr. Ferrara was developing, he is looking to the west. I think it is essential when we look at a state, not a county, that we have to look at the whole

relationship of the operation. And I think that when we compare values, we cannot in good judgment just take a particular site here and there and say, "This is the magic of the solution. This is the answer." I think we must compare the whole thing as Mr. Ferrara was starting to do in his presentation earlier.

MR. FERRARA: Commissioner, I have been sitting back and if we are going to leave Florida Lakes completely, I had one or two questions. I don't want to go into the details of Florida Lakes unless the Committee wants to. But we have not gone into the details of Florida Lakes. Does the Committee want it? I don't know. I'll keep it brief. It is up to you people.

ASSEMBLYMAN BATEMAN: I think that one thing of concern was - and I was just looking through the Feist and Feist appraisal - there were no comparables used in the Feist and Feist appraisal at all as far as I can see or in either of the appraisals

MR. FERRARA: No. The comparables on Slothus are all designated on that map to the best that we could locate them and try to do it. Any of those listed by Slothus as comparables, I tried to locate on that map.

COMM'R ROE: May I respectfully suggest this point of view - and I am not an appraiser - but I know that there is more than one way of appraising a piece of property and many of the MAI's will come in with what their best judgment is --

ASSEMBLYWOMAN HIGGINS: -- without using comparables.

COMM'R ROE: -- without using comparables.

ASSEMBLYWOMAN HIGGINS: That was what I pointed out.

COMM'R ROE: Mrs. Higgins brought that up. So I think that the point that is germane - and again I am not quarreling the point - I am trying to say that we cannot build on just one appraisal if we have had two and we have had the best that we know to get.

Now on this map when I started to develop the point, it was to look to the east and I think this is germane to bring in here. This map indicates the location of the existing Ringwood Park, which I think was about 425 or 435 acres, roughly 435 acres in the park. The whole concept of this program was to create a major park in this area. We know that the Ringwood Park, per se, the previously existing Ringwood Park, was only a relatively small amount of acreage. It was primarily an historical site and it did not have all of the attributes that are generally accepted today in an over-all park usage. Now I am talking about an area to swim. I am talking about an area to fish, to hunt and what have you. This is what gave rise to the over-all program to acquire this additional property and round out Ringwood State Park as a major park in that area.

I think another point that is important is that there are only certain open-space treasures, for example, that are available to this State. And, if we do not acquire them when we can acquire them, we are going to lose them and I could recite a number of areas throughout the State of New Jersey that once lost can never be regained again.

Again without being dramatic, I'd like to say that when we are comparing these so-called natural treasures that belong to the people, how can we on that basis, not building upon a comparable, so-called comparable, basis determine the value of one of these treasures? In other words, can we say, for example, in the Nation that there is a value to the Grand Canyon? Can we say that there is a value to any of the major parks out west? Can we say there is a value and what is that value? Is it the value that someone would despoil the land and put a house on? Or is it more important that we set some of these things aside which are just not duplicated any other place in the State? There just are not two of them.

Now with that thought in mind, I build upon the point of looking to the east. I would suggest and subscribe to the point of view that I think the most active county in the State of New Jersey who has done perhaps more in their open-space county program is the County of Bergen. Now when we look on this map behind me, we will note the broad parameters of open space in this whole region, not just looking to the west and we will note that we in this Department supported the County of Bergen in the acquisition of Darlington Country Club and I want to bring this in because I think it is highly germane and I have something else I wish later to bring before this Committee.

I think in the first place the Darlington Country Club is indicated here on the right - the location. The road in red is Route 287 which has been projected to be

built. You know there are hearings coming up on it and what have you. Also the tape in yellow that Arlo is showing now shows Route 208 and the location of Route 208, showing the proximity and the closeness to the exploding population. Bergen County has recognized and so has the State in concert with Bergen County that setting aside, for example, the Palisades, the Boy Scout property that was acquired, and the other lands acquired by Bergen County, has been important; and if they don't get them now, they are not going to get them one year from today, as I see it.

ASSEMBLYWOMAN HIGGINS: You notice the pleased expression on my face, Mr. Roe, for the platitudes toward Bergen and their foresight in acquiring park land.

COMM'R ROE: It is true.

ASSEMBLYMAN BATEMAN: Through you, Madam Chairman - Commissioner, I don't think there is any concern - at least we haven't discussed it - among the members of the Committee with the concept of putting a park together. The thing that concerns the Committee and the thing that has concerned me is that right below the initial piece is a piece that was bought, the so-called West Milford piece, 816 acres, by a Mr. Lavine at the same time for \$735 an acre. Now this is the kind of thing that makes me wonder whether we are getting dollar for dollar. This piece runs right into the piece you are talking about, 816 acres. It has a lake on it. I saw the lake. And this is the kind of thing that has me disturbed. This is the cause of it. Here is a piece of land that abuts right into the park. It was sold in 1963. It was not used to

my knowledge as a comparable and maybe there is good reason for it because I only saw the lake and a little piece of the land, but the per acre cost comes down to \$735 per acre. Now there may be a good explanation of why that piece is cheaper. Nobody has given it to us. Nobody has cited it and this is the kind of thing that disturbs me.

ASSEMBLYMAN TANZMAN: Madam Chairman, through you, may I ask the Commissioner a question? Maybe I can bring it to light.

BY ASSEMBLYMAN TANZMAN:

Q Is the lake on the so-called Lavine property a natural lake? A No, sir, it is not.

ASSEMBLYWOMAN HIGGINS: It is spring fed though, isn't it?

COMM'R ROE: No - I would be guessing at that.

ASSEMBLYWOMAN HIGGINS: I have been told that. I didn't know whether -

Q It is a man-made lake, is it not, Commissioner? A Right.

ASSEMBLYWOMAN HIGGINS: It has a dam, but it is spring fed.

Q How deep is that lake? A I do not know.

Q What is the lake on Shepherd Lake? A Well, I am losing my point to the east.

ASSEMBLYMAN BATEMAN: I was sorry to interrupt you.

ASSEMBLYMAN TANZMAN: The only reason I asked the question was because you --

COMM'R ROE: I will hold the point and try to answer

that.

ASSEMBLYMAN BATEMAN: It tucks right into the piece, Assemblyman Tanzman, that's the reason.

ASSEMBLYMAN TANZMAN: We could have come back to it.

ASSEMBLYWOMAN HIGGINS: Perhaps, Mr. Roe - you said that you would give us information today on the pieces that we saw in the paper you are acquiring. Perhaps we should learn now the purchase price of these pieces.

ASSEMBLYMAN TANZMAN: Let him continue with what he is doing and get back to that.

COMM'R ROE: I don't see how the Committee can evaluate, if I may, with all due respect, this unless you let me give you the entire facts and that is what you have asked me to do.

ASSEMBLYMAN BATEMAN: I apologize for interrupting you.

COMM'R ROE: No, no, it is not necessary. I know these other questions will come out and I expect them to.

ASSEMBLYMAN TANZMAN: Will you please continue, Commissioner.

COMM'R ROE: Yes. I would like to point to the east. Now we are talking about comparability. We just can't take those that we measure here and there along the line and say, "Well, why" -- and again I don't mean to be unkind to Mr. Bateman -- "Why is this particular piece of property available at a particular price?" I don't know that. I don't subscribe to know that point. If a man wishes to offer his price for nothing, that has no bearing upon what

we ultimately are going to evaluate at and what we use our experts for to determine the value. That is my particular point of view. If we can buy that property at a lesser price, fine, we will be glad to acquire it, if it meets the needs of the program.

But I would like to go to the east and I'd like to point out to you what I think is a real comparable. Bergen County acquired Darlington Lake Country Club recently. Darlington Lake Country Club by survey was originally projected as 183 acres; by survey, it has 178 acres. It has approximately 23 acres of water. I say that specifically because it is germane to Thunder Mountain because there is one main pond and two smaller ponds on that property. There are a number of improvements on the property. The appraisal that was submitted on that particular property by an Albert Bogart, who is an MAI - he submitted his price of \$1,460,000. The price that was submitted - there were two appraisals on that property - by Mr. Frank W. Dator - he put a price in at \$1,542,710. On that particular project, there was a variance of about \$80,000 in the wisdom of the appraisers who were hired to do that job. And I think that that again becomes germane, if I may, to the question that has arisen on the so-called Florida Lakes property.

I think it is important to note that about six miles as the crow flies and perhaps about seven or eight miles or nine miles by road, roads that are there, and maybe shorter by roads that will be built soon - the value of

that land, not the improvements, the land, was placed at about \$4500 an acre in one appraisal and about \$5000 in the other.

ASSEMBLYWOMAN HIGGINS: -- which, knowing the area as --

COMM'R ROE: The natural retort would be - the natural retort, and rightfully so, would be, "Well, how can you judge this because this is where the growth is taking place?" But then I subscribe to you the point of view, do we act after the fact or do we act before the fact?

ASSEMBLYWOMAN HIGGINS: That isn't exactly what I was going to point out. I was going to point out that the value per acre in that area is considerably even higher than that and I think you did very well on the price.

COMM'R ROE: But may I just develop a little more on that, Mrs. Higgins. I think it is important to point out that of the appraisals that had been submitted on that property, that almost 50 per cent of the acquisition cost had to do with improvements and, if the appraisers build upon the point of developing that land as the so-called - which I do not subscribe to - the so-called highest and best use as having to do with residential development - I would subscribe to the point of this Committee that Bergen County would have to tear down about \$700,000 worth of improvements to begin to use the land at all for development.

Now I think that these are the points that are succinct and germane to our evaluation when we are talking about a project. I am not quarreling with the point of view - I will bring this up once more before we are finished - I am

not quarreling with the point of view that Bergen County did not act properly. But I also call to your attention, based on the facts and the merits, that this particular site is only roughly seven miles from the Thunder Mountain site.

ASSEMBLYWOMAN HIGGINS: I think we should also point out though the difference in the area. Thunder Mountain is in the midst of an undeveloped area of lake country that has not yet been developed and the comparable sales in the area, the only one that anywhere near approaches what you paid for Thunder Mountain is the Florida Lakes acquisition, which was \$1700 an acre. Whereas, in any of the comparables that could have been obtained in the area of Bergen County, I'd like to respectfully point out, that the acreage value is considerably higher.

COMM'R ROE: And I would like to respectfully point out that the zoning requirements in the area of the Darlington Lake property require a minimum of 40,000 feet to be able to build a house on.

ASSEMBLYWOMAN HIGGINS: Well, I am not familiar with the appraisals that were given on it. You are.

COMM'R ROE: I am.

ASSEMBLYWOMAN HIGGINS: Did they use the highest and best use as a residential development as Slothus did in --

COMM'R ROE: Well, the opinion on that, with all due respect, on the procedures that we follow as far as appraisals are concerned, I do not quarrel with. But I subscribe to you, if I may, Madam Chairman, that there is only one

Darlington Country Club; there isn't any other. And to attempt to produce an evaluation on the basis of the best and highest use as being residential, I think the best and highest use of Darlington Country Club --

ASSEMBLYWOMAN HIGGINS: -- would be as a resort.

COMM'R ROE: -- along with Thunder Mountain-Shepherd Lake, is as a resort, far more valuable in my opinion than what the situation would be as far as comparables and building houses on it. But we do have analyses on the houses on it. I only bring this up because I think it is germane.

If we are going to look to the west and we are going to be talking about Wawayanda and we are going to be talking about this, we must reflect upon what is literally happening in the State of New Jersey.

ASSEMBLYWOMAN HIGGINS: How far away is Wawayanda from Thunder Mountain?

COMM'R ROE: To my knowledge, Wawayanda is about 17 - 18 miles - 26 miles.

ASSEMBLYWOMAN HIGGINS: We had some testimony and we figured out by a rough method it was about 11 miles away.

COMM'R ROE: No, it is not.

ASSEMBLYWOMAN HIGGINS: It is a little further than that?

COMM'R ROE: It is further than that. There is no question about it.

ASSEMBLYMAN TANZMAN: That's as the crow flies.

ASSEMBLYWOMAN HIGGINS: As the crow flies.

ASSEMBLYMAN BATEMAN: That was a Bateman --

ASSEMBLYMAN TANZMAN: That was the Bateman-hand method.

ASSEMBLYWOMAN HIGGINS: Actually, in other words, it would be a comparable area, but it is to the west and not to the east and you feel that it won't grow as fast and, therefore, that is one of the reasons that the value of the land wasn't considered as much.

COMM'R ROE: I used to think that a year ago - I used to think that - because our training -- Of course, I'd like to point out to the Committee that I am a resident of Passaic County. I have been on the Board of Freeholders - mayor in the area - and I am most acquainted personally with this whole region.

BY ASSEMBLYWOMAN HIGGINS:

Q Well, Mr. Roe, could you answer something then on that? You brought up Wawayanda. Why was it the State didn't acquire the whole tract of land that was originally in the condemnation proceedings, the 7,000 acres? A May I again respectfully request, having not been in on that particular part, I think that Henry Sevrin has that at his fingertips and maybe later the Committee would like to ask him the details on that point. I think he has those facts and I think the Committee is entitled to them,

ASSEMBLYWOMAN HIGGINS: All right.

COMM'R ROE: May I build upon the earlier point you made, that this would not develop as fast and what have you?

The mere fact that the Delaware River Basin and the Federal government have been active on the programming for Tocks Island has tripled the value of land in that area -

tripled the value of land. The mere fact that the power company is building an atomic generating power station in Oyster Creek, which in some people's minds six or eight months ago was in the boondocks --

ASSEMBLYWOMAN HIGGINS: Well then, it does become important to know why we didn't get the whole tract?

COMM'R ROE: Pardon.

ASSEMBLYWOMAN HIGGINS: It does become important for us to know.

COMM'R ROE: There is a good reason for it and I am sure Mr. Sevrin will go into that. I am getting to the point specifically you asked. So when we talk about the value of the land when we are buying sites that are important for reservoirs and what have you, it's almost impossible in a state such as ours to say that that particular site over there will wait 25 years before it is ever developed. and what have you. That is not the history of the State of New Jersey, including Bergen County and Passaic County, as I see it. So I think that that is a germane point.

I think that Ray Bateman was developing a very good point in reference to a piece of property that was near Thunder Mountain, the Lavine property, I believe he said it was. I think it is also interesting to point out that Cupsaw Lake, which is just below Thunder Mountain by about three-quarters of a mile -- Would you move that map back over the top? This aerial photograph, by the way, gives you a very graphic view of what can and does take place. The current assessed valuation of the land area around that lake,

including the lake - the lake is about 67 acres roughly - and we evaluated 145 acres around that lake, talking about highest and best use -- I think it is important to note that on approximately 210 acres, the assessed valuation of that lake, two-thirds of a mile or a mile from Shepherd Pond - Shepherd Lake - is on the rolls today at \$2,125,000.

BY ASSEMBLYWOMAN HIGGINS:

Q Was this assessed valuation made after the purchase of Thunder Mountain? A I made this assessed valuation because I am rechecking myself. I just want to be able to get the facts before this Committee.

Q You made that? A Oh, yes, I did. I had it checked.

Q So it has been recent. In other words, this is the assessed valuation as of today? A As of the last seven months.

COMM'R ROE: [Continuing] The buildings that are in that area are evaluated at \$4,030,000 or a total assessed evaluation of land and buildings at \$6,155,000, only bringing in the lake and 145 acres of development around that lake, which I again subscribe is highly germane to the presentation that was made on the potential development of Thunder Mountain if the highest and best use was for residential development. I just wanted to bring that up because I think it is important.

There was moment made by an antagonist relating to the leases on Thunder Mountain and that purportedly or at least as reported in the press that the Department had done a dastardly thing in literally giving away lands of the State of New Jersey on so-called leases that are not valid, that

people are not purportedly getting their dollar's worth on those leases.

ASSEMBLYWOMAN HIGGINS: Mr. Roe, you are quoting things that I am not familiar with. I haven't read this quotation in the press anywhere. I do know that we had a discussion of leases before this Committee on the part of our interview with the appraisers. Both appraisers testified that they did not consider the leases in making their appraisals and we went into the question of the leases. Now is there something you'd like to say about the leases?

COMM'R ROE: Oh, yes, because I do believe, Madam Chairman, that one of the witnesses who testified before this Committee made great moment of those leases and I think if we are going to have the public thoroughly understand the point of view relating to the leases and how they affect this property - I think it is germane that the Committee know.

ASSEMBLYWOMAN HIGGINS: Well, I think the Committee - in case you didn't read the testimony - the Committee members themselves made quite a bit of the leases. I know I personally did because it seemed to me that these appraisers were trying to justify the highest and best use as being a residential - one appraiser said a controlled, highly -- What was the term he used, do you remember? -- a residential, executive-type home development. And I pointed out that there was a lease which had a skeet shoot and reserved 55 acres of land right close to some of this area and that was where the leases came up.

BY ASSEMBLYMAN TANZMAN:

Q Through you, Madam Chairman - let me ask you a question

pointblank, Commissioner: Do you consider the ski run and the skeet shoot an asset or a liability to this property?

A For our use, I think the ski run and the skeet operation are of enormous value to the people of the State of New Jersey.

ASSEMBLYWOMAN HIGGINS: It certainly would be as a resort and so forth. The only question that I had brought up, Mr. Tanzman, was the basis that they were using it as a residential area.

ASSEMBLYMAN TANZMAN: Now we are not talking about the property in question; we are talking about the value of the property in question. So you can't divorce it from the value. I don't want to make a speech on appraisals. I want to ask the Commissioner one other question.

BY ASSEMBLYMAN TANZMAN:

Q Have you analyzed these leases? In other words, one of the witnesses analyzed one lease which peculiarly enough was the low one and didn't analyze the other one peculiarly enough. However, have you analyzed both of these leases? A Yes, sir, I have.

Q Let us have your feeling about the income flow from these leases? A May I say this, that the leases, as I said to Madam Chairman, are highly important to New Jersey and the State, per se, did not enter into these leases directly. Indirectly when they acquired the land, they acquired the leases. I'd like to make that point because I think it is clear. The State gave nothing away on this and it was clearly evaluated before we acquired the site to begin with.

ASSEMBLYWOMAN HIGGINS: Well, upon your part, this is

important.

COMM'R ROE: Well, as the administrator, I would think it would have been important.

Now the one lease that they talked about was the skeet-shooting lease which was for ten acres of land and it was for a thirty-five-acre buffer around that particular piece of land.

ASSEMBLYMAN BATEMAN: Forty-five.

ASSEMBLYWOMAN HIGGINS: The thirty-five was my error.

COMM'R ROE: Forty-five. I beg your pardon. There was a total of fifty-five. You are right. That land has been leased for ten years on an average - there is a scale of the figures there - on an average of \$4450 a year for the first ten years and a flat rate of \$5000 a year for the second ten years or a total gross income of \$94,500. If we apply the value of the State's acquisition of \$2000 an acre to that land - now I am doing this arbitrarily, if I may - we would come up with about a four and one-half per cent direct return on that particular lease and that is without capitalizing that lease.

I must call to the attention of the Committee that the value of that lease had to do with the fact that the skeet-shooting range was built and the ancillary facilities. The land was cleared and what have you. The State is now recipient of this particular value. This is without capitalizing the improvements.

ASSEMBLYWOMAN HIGGINS: Mr. Roe, how much maintenance do you have as a State --

COMM'R ROE: None.

ASSEMBLYWOMAN HIGGINS: I thought that was in the agreement.

ASSEMBLYMAN BATEMAN: Are the lessees paying the bills, Commissioner?

COMM'R ROE: Yes, sir.

ASSEMBLYWOMAN HIGGINS: I have seen the skeet shoot, the buildings and so forth, and I think it is quite an establishment. It is very substantial and certainly for the value that you as a park commissioner, per se, would put on it for recreation purposes, it is ideal. I agree with you one hundred per cent on that.

I think once again, just to clear the record, the only question that we had of the lease was the fact that it had not been taken into consideration by the appraisers in their consideration of the best and highest use of the land.

COMM'R ROE: But the Commissioner took this into consideration, and I think that that is important.

ASSEMBLYWOMAN HIGGINS: Very important.

COMM'R ROE: And the Commissioner was very well aware of the location of this particular site and the Commissioner was aware of the fact that in the particular area that it was located, in evaluating in my best judgment as to the development and the use of the lake, which I do not totally subscribe, by the way, with the appraisers on, it would not be deleterious to the particular development of about maybe 250 to 300 acres around that lake as far as the skeet-shooting operation was concerned.

I would also like to point out that in a community such as Smoke Rise and other communities that they are now installing or have installed skeet-shooting ranges to be able to provide a multi-recreational facility for their own people in that particular area. So I don't personally - this is my best judgment - with all due respect --

BY ASSEMBLYMAN BATEMAN:

Q Commissioner - through you, Madam Chairman - you just partially answered a question I was going to ask you. Do you agree that the highest and best use of this property is for a restricted, residential, executive-type operation? A If I may take a little poetic license, I do not believe in restricted communities to begin with and the second point of view as I see it - no, I don't. My judgment was not made in finality on the value of the land as the so-called highest and best use for residential development, although I recognize the comparability on that is necessary in appraising. In my opinion, the Shepherd Lake property is invaluable to the State of New Jersey. That is my best judgment.

ASSEMBLYWOMAN HIGGINS: As a resort and a recreation area.

COMM'R ROE: I didn't buy it for residential development. We bought it for the purpose of open space and recreation for the people of New Jersey.

ASSEMBLYMAN TANZMAN: Commissioner, would you finish your analysis of the leases, please?

COMM'R ROE: I'm going on.

ASSEMBLYWOMAN HIGGINS: Just to remind everyone of time -

I just want to make sure -- but first, I wanted to ask if you wouldn't mind if we gave the reporters just five minutes.

[Short Recess]

ASSEMBLYWOMAN HIGGINS: I would like to call us back into order and thank the Commissioner's indulgence for that extra five minutes. I am sure that our court reporters were very happy to have that little rest.

Mr. Roe, we were on the subject matter of the leases.

COMM'R ROE: We had discussed the point, Madam Chairman, with reference to the skeet-shooting lease and I think that the second one that is germane to this project would be the ski lease - the Park Avenue property. My records indicate that the lease is a ten-year lease, on the average over those ten years of \$10,000 a year, with a 100 per cent gross payment, a minimum payment. There is also a graduated scale within the confines of that lease on a percentage basis of additional revenues due to the State, whichever is higher, but the minimum is \$10,000 a year. The option on that particular lease was based on ten years. There was a renewal actually - a renewal option - wherein the Shepherd Lake people at that point who owned the property had entered into a lease wherein they took the position that if a third party offered a price on this particular skiing operation, the Park Avenue properties would have the right on the basis of agreement to take up that option for another ten years at 85 per cent of that value. My calculations are there are six acres involved in the skiing area

which would mean that the State would be receiving, as I said before, \$10,000 a year minimum return or if we use the \$2,000 an acre on the value of the land, we would be realizing about an 82 per cent return on that lease. Again I feel that the leases you had developed, and we both agree, that as far as the use for recreational purposes is concerned, this is very advantageous, particularly in our State, because we have relatively few skiing areas that are available. And if we use the \$2000-an-acre figure in the acquisition of Thunder Mountain, it would mean, as I said before, that we'd have a revenue of some 82 per cent on that, which would be enormous. I don't think in any way the skiing operation would be either deleterious to our recreational program - in fact quite the contrary - nor would it be harmful in my opinion to the so-called highest and best use that has been testified to in the relationship of housing development in that particular area.

ASSEMBLYMAN TANZMAN: Through you, Madam Chairman -

ASSEMBLYWOMAN HIGGINS: Yes.

BY ASSEMBLYMAN TANZMAN:

Q Just one question, Commissioner. There was a point made that in order to realize this flow of income there was maintenance of the ski lodge and maintenance of certain facilities and that, therefore, you could not truly capitalize this flow of income.

A Well, I would suggest that the lease incorporated the use of part of the lodge facilities and it also provided for the accessibility as far as roads are concerned, but it did not provide any points in there, any measures, that would require expenditures

by the principal, namely, the owner of the lodge, as I see it.

BY ASSEMBLYWOMAN HIGGINS:

Q It would include the use of the parking lot? A Right.

Q And that you keep it plowed and so forth? A Right.

Q In other words, it's your maintenance of that area?

A Yes.

ASSEMBLYWOMAN HIGGINS: Thanks.

ASSEMBLYMAN TANZMAN: But my point is there are no additional expenses or any deductions from this flow of income?

COMM'R ROE: No, sir, not in my opinion.

ASSEMBLYWOMAN HIGGINS: Any other questions? Mr. Mandelbaum.

BY ASSEMBLYMAN MANDELBAUM:

Q I have a question concerning certain parts of your testimony, Commissioner. Now we have referred to the appraisals and a number of times you have said the Commissioner has determined and you have looked at things as recreational rather than residential. Do you have any information that the appraisers didn't bring to our attention or other witnesses which would lead you to an indication of value for Shepherd Lake and Thunder Mountain? Do you know of anything that hasn't been brought to our attention so far as to value? In other words, Mr. Bateman has talked about the Lavine piece. Do you know of any offers in the area of anything that we don't know about at this point, because we are going to recess in half an hour, that we could check into before our next meeting concerning values in the area?

A Well, of course, I don't know precisely what your point is. But

in my opinion, I think that the Committee has been privy to as much information certainly as we have at this juncture. I think that as far as some of the testimony that has been offered as to the fact that this land was very rugged and could not be developed around the lake and that it was impossible to develop, I do not subscribe to that at all. The contours of the land clearly indicate the areas of more than reasonable development, if I might say.

I think that the value of the lake has been in some of this testimony inured only to a lake lot. I think that that is a very poor representation as to the value of the surrounding land. For example, there are a lot of people who wouldn't want to live right directly on a lake because perhaps of dampness or something of that nature where they would be more than pleased to live in an area maybe two or three tier lots, if you like, removed. So I think that just the residential development of the area around the lake alone, with relatively few acres going back up on a tier development, more than justifies the value of the lake in the properties - no question in my mind about it.

Q One of the things that I thought I might ask you about that we have heard about before is that we have some comparatives here now. I know of a comparative that was brought out last week where the question of mining rights came up and I notice in the paper articles about dynamiting of these mines. Are there any mines on this property, the Thunder Mountain property, and are there any sales in the area in which we should know that the purchase prices might or might not reflect the fact that there are mines and shafts?

A Well, I see what you mean. To my

knowledge there are no mine shafts or any mining that I know of that has been done on Thunder Mountain. We know, of course, that Ringwood historically is famous for their iron mines. I do recall - I read that article in the Newark News just last night or the night before wherein it gave an illustration about Ringwood which is the personification of our earlier point about development - a city within a city, a fifty million dollar city development in that area. I think that that was an interesting article and again showed interest in the area. I think that the value of the land was something in the order of about \$500 an acre that the Kislak Company had paid for that property as I recall the article.

ASSEMBLYWOMAN HIGGINS: That was the Ringwood Mine property.

COMM'R ROE: Ringwood Mine property - right. And it was interesting to note, alone, when we are talking comparables, that considerable expenditure will have to be made - and this was represented in that news article - for the filling in of these mines, dewatering them, removing the junk and so forth and so on. I think it was also interesting in that article, it does require some modification of the zoning to get the optimum use of the land. I think that that is an important point.

BY ASSEMBLYMAN BATEMAN:

Q Through you, Madam Chairman - maybe I didn't ask the question properly before and Mr. Tanzman sort of got in on the answer, but what are the essential differences between the 816 acres of the Lavine property that was purchased in '63 at \$735 an acre and Shepherd Lake? This sticks more in my claw than

any other comparable because the pieces look so similar.

A Well, I think that from my judgment point of view that Shepherd Lake itself is one of the last natural lakes of that size in the northeastern part of our State - point number one. Shepherd Lake has been looked at in many, many areas from the point of view of water supply. Shepherd Lake holds over a quarter of a billion gallons of water, but roughly I think it is close to 350 million gallons of water in that particular lake. It is a natural runoff from a water supply point of view into Cupsaw and down into the Wanaque Reservoir, again important to the State of New Jersey as I see it. It is a natural lake to begin with. When we compare it on the land area around it, it is the type of land area that we want to be able to augment the over-all Ringwood State Park, as we had said before.

I am not as totally familiar with the Lavine property, although I know where it is located. As I see that, that's a man-made lake. It has a dam on it. The property is reasonably decent property as I see it, and again I subscribe to the point of view that what a willing seller pays a willing buyer as to what the seller is willing to sell it for, I think reflects the value of that particular land. And if someone doesn't want to give their land away - I mean, you know, you can't build on it.

We feel that the Shepherd Lake property has so many attributes that are just not available in the other sites.

BY ASSEMBLYWOMAN HIGGINS:

Q Mr. Roe, you were talking about a willing seller and a willing buyer and that recalled to my mind a willing seller that we had before us, Mr. Wehran, who testified that he had

had discussion with the Department on the acquisition of, I think it's a hundred and - I get these figures wrong - one hundred and some odd acres that you published in the paper yesterday that you had gone ahead with. And he said that at the time of the purchase of Shepherd Lake - Shepherd Pond - that there had been a verbal agreement that he would sell this land to your Department for Green Acres. Do you recall this?

A I never met Mr. Wehran until after - considerably after we had acquired the Shepherd Lake property - number one. Number two, I know of nothing of that nature. And, number three, as the chief administrator of the Department, I don't deal in side agreements. I like things written down clearly and concisely. There was no arrangement of that nature that I know of - that I am aware of.

ASSEMBLYMAN TANZMAN: May I ask a question, Madam Chairman?

ASSEMBLYWOMAN HIGGINS: Yes.

BY ASSEMBLYMAN TANZMAN:

Q Commissioner Roe, during your statements here this morning, you have indicated that while you take into consideration the appraisals, you do in the final analysis rely upon your judgment and you do base your decision on this judgment. And I'd like you to explain to me just what you mean by that.

A Well, I think that any one of us who are in a position of decision, as the members of this Committee are, have to ascertain in their best judgment, based on the facts that they receive and as they see the situation, as to what action they take. Now I think it is important to note that specifically

on the Shepherd Lake property where we had one appraisal, as has been reiterated so many times, at \$1,600,000, we had a staff appraisal that was made at \$1,319,000, I believe it was, or three hundred and thirty, was it? - let me get that right. It was in that vicinity and in my opinion I felt that the one appraisal at a million six was too high for that land and in evaluating it myself, I discussed this matter with our Attorney Generals and advised them at the time I thought there was too much of a variance between these appraisals and why not condemn that property, which opens up a new avenue of discussion, by the way. And in the course of that discussion a report came back for me from the Attorney General's office that it would be necessary in evidence on a condemnation that the high appraisal of one million six and the staff appraisal would be presented. You couldn't just pick out those parts that you wanted to use as testimony and, therefore, it could be very possible that the State would be paying considerably more for that piece of property than what we were trying to negotiate for. I believe that the price that the owner wanted originally was one million five hundred thousand dollars.

Now after that particular information was submitted to me, it was my judgment to get another appraisal and make another appraisal of that particular property just to be sure. And this is precisely the action that was taken. An appraisal, of course, from Mr. Weiss's office, who is a very reputable man to begin with, was submitted and on the basis of that appraisal we were able to negotiate and settle the acquisition at one million three hundred and sixteen thousand dollars, which in my best judgment I think is a good price; I think it is a fair

price and I unequivocally if I had to do that - make that decision all over again - I would make the same decision again. I feel that strongly about it. There has not been one shred of testimony that has been presented on the merits of this program that would obviate that position.

May I just add one more point which I think is valid to the Committee? This magic of going into condemnation and condemning property all over the State of New Jersey is an extraordinarily time-consuming method. It is in some instances eminently unfair to the average citizen or the citizens of this State and our experience indicates - our experience indicates - that in an area such as Cedar Island down in Avalon - the town put that island up for sale for \$75,000 to be sold to developers.--

Q You already testified to that. A Yes. I just think it is important to bring it out. And there is a little more to that that has happened since then. We were advised all the way from Secretary Udall's office that that land should be set aside because it was a natural nesting place for osprey and sea birds and what have you. Of course, the town did not concur with the Department. And at that particular juncture when the town was discussing it, they said that the property at that point then was worth one million dollars - one million one hundred thousand. Finally when they submitted their testimony to the condemnation appraisers - the State moved to condemn - they put in a value of \$840,000 and after the first condemnation commissioners met the award that they have made so far, which we are appealing, is around \$140,000, where only six months before, the city alone had put that land up for sale at \$75,000.

And we could recite these experiences chapter and verse. This has also happened to us in Middlesex County where after an appeal and after a jury trial, the award that was made was made \$80,000 over the best appraisals on that particular bit of property.

So I think that when we get to a point of running a risk of losing a site or the price being so enormous that the State couldn't buy it, that we would be doing a disservice to the people of the State.

ASSEMBLYMAN TANZMAN: Thank you, Commissioner. This Lavine sale is something that all of us are interested in and if you don't know the answers to it, is there anybody on your staff - we obviously aren't going to finish today, Madam Chairman - is there anybody on your staff that could give us the answers? Is Mr. Daly in a position to give us the answers? Is somebody on your staff in a position to give us the answers?

COMM'R ROE: Well, I don't know exactly what the specific question is on that point.

ASSEMBLYMAN TANZMAN: Assemblyman Bateman, did you want to ask a specific question?

ASSEMBLYMAN BATEMAN: I'm sorry; I wasn't listening.

ASSEMBLYMAN TANZMAN: I'm talking about the Lavine sale and I asked the Commissioner if there was anybody on his staff that could give us the answers as to the difference between these two properties and why one was sold for seven hundred and some odd dollars per acre and the other one --

ASSEMBLYMAN BATEMAN: I sure would. I would be very happy to know.

ASSEMBLYMAN TANZMAN: My question to the Commissioner is that if he isn't the one who can give us the answers, perhaps we ought to call back Mr. Daly or Mr. Sevrin or whomever you would suggest that could give us that answer. Might I ask you to inquire amongst your staff and let us know who could give us those answers?

COMM'R ROE: I would be pleased to do that for you.

ASSEMBLYWOMAN HIGGINS: We are getting closer to the time that we promised the Committee that we would recess. I want to be absolutely fair. Have you further testimony that you wish to give? I have a few extra questions. Mr. Bateman, do you have any more questions?

ASSEMBLYMAN BATEMAN: I'd like to hear before we finish as much as you can tell us about the pending purchases.

ASSEMBLYWOMAN HIGGINS: The newspaper release yesterday - we are very much interested in, of course.

Mr. Mandelbaum, just to get an idea of the timing?

ASSEMBLYMAN MANDELBAUM: That was my question - as to Shelton College.

ASSEMBLYMAN TANZMAN: We'll never finish in five minutes.

ASSEMBLYWOMAN HIGGINS: In other words, Mr. Tanzman, you have further questions; you feel that we should have another hearing.

ASSEMBLYMAN TANZMAN: Well, unless we want to stay on. I am perfectly willing to stay on. Assemblyman Bateman,

of course, has --

ASSEMBLYWOMAN HIGGINS: We made the commitment to him.

ASSEMBLYMAN TANZMAN: Yes, I am satisfied to come back again, yes.

ASSEMBLYWOMAN HIGGINS: Mr. Roe, I just wanted to let you know what the time problem was and you could fit in your testimony as you will. If you would prefer to wait until some other time, you may. But if there is anything you would rather say right now, now is the time because we are going to have to keep our commitment.

COMM'R ROE: I appreciate that point of view.

I think in deference to the Committee I would like to - I know there are other points that Assemblyman Bateman would like to know about - I would like to make just a couple of points.

ASSEMBLYWOMAN HIGGINS: Well then, you do have a few more.

May I first ask you very particularly - I think that all of the Committee would like to know about the property that was purchased yesterday and if you could give us the price of those, I think we would appreciate that.

COMM'R ROE: Well, the property has not been purchased yesterday.

ASSEMBLYWOMAN HIGGINS: Oh, it hasn't.

MR. FERRARA: That's what we should know.

COMM'R ROE: We are negotiating now - as we said, we have a contract on the hundred-acre piece of property which was the Ringwood --

ASSEMBLYWOMAN HIGGINS: For how much was that?

COMM'R ROE: One hundred and thirty --

ASSEMBLYWOMAN HIGGINS: I think that was testified to.

COMM'R ROE: I think it was testified to. It was \$132,000. But it also included this little bit of lake frontage over there. Those details, of course, are available.

ASSEMBLYWOMAN HIGGINS: Those ten acres that make it adjacent to the Lavine property.

COMM'R ROE: We have been negotiating with the Green Engineering Company. Regretfully, we have not come to a final determination. It may require a different course of action in the direction of acquisition. You see --

ASSEMBLYWOMAN HIGGINS: In other words, you haven't reached that stage in your negotiations.

ASSEMBLYMAN BATEMAN: We don't want you to tell us anything --

ASSEMBLYWOMAN HIGGINS: -- anything that would prejudice your --

COMM'R ROE: Well, regretfully one of the things that came out in the testimony is the value, as I recall it, of the appraisals that we put on Green Engineering. Now with all due respect, we are moving definitively to acquire Green Engineering in one or two directions and I think that should be clear to the Committee. And the other point, of course, has to do with Shelton College. We have been negotiating with the Shelton College people for quite some time and we are in the throes of the final discussion of that particular property.

ASSEMBLYWOMAN HIGGINS: But you haven't reached the

stage where you can discuss it.

COMM'R ROE: It would not be a service to the State to discuss that further as far as the details are concerned.

MR. FERRARA: Madam Chairman - if I understand this correctly, Commissioner, this is about the same state we were in before. There was nothing finalized yet in either of those pieces.

COMM'R ROE: There is no contract signed, sir, if that is what you are asking nor was that implication said or meant.

ASSEMBLYMAN TANZMAN: Is there a meeting of the minds, Commissioner, on these parcels?

COMM'R ROE: As far as there can be a meeting of the minds at this point, yes.

MR. FERRARA: On Shelton College also?

COMM'R ROE: Yes. As far as the meeting of the minds can be at this point, yes. There are certain details - and I am not being vicarious at all - there are certain details that I just will not and cannot testify to.

ASSEMBLYWOMAN HIGGINS: Certainly, Mr. Roe, we want you to understand we are not asking anything. We only raised the question because of the newspaper article yesterday. We felt it was a matter of public knowledge. Therefore, we certainly felt we as committee members should have whatever information was available. But if it's something that can't be made public, then we certainly don't want you to feel in any way we are asking you.

Mr. Mandlebaum, you have a question?

BY ASSEMBLYMAN MANDELBAUM:

Q My question is: Have those properties been appraised?

A Yes, sir.

Q Both properties? A Let's put it this way: The final detail appraisals are not totally completed on the Shelton College property. There are interlocking reasons for that. But the appraisals on the Green Engineering are completed and also, of course, we entered into contract on the Wehran property.

BY ASSEMBLYWOMAN HIGGINS:

Q I want to ask a question, but I want to put it this way: I want you to tell me if it would have any reflection - if it shouldn't be answered in any way, please remove the question. Is it permissible to ask who the appraisers are for Shelton College? Would that in any way prejudice anything about it?

A No. I have the confidence in professional people. No, I don't think there is any secret on that. The appraiser for Shelton College is Henry Stam; who is an MAI.

Q I know. I know Henry Stam. Is that all? - the one appraiser and someone from your Department? A Yes.

ASSEMBLYWOMAN HIGGINS: Thank you. I just didn't want to get into the area because I am scared to death to ask a question I shouldn't ask.

Now back to you, and we will try to give you as much time as you --

COMM'R ROE: I know you are anxious to clean up. We are not totally finished, but I understand the exigency of the situation as far as the Committee is concerned. But I'd like to say this - at the outset - and I respect

the sincerity of purpose of Ray Bateman - I think he would support my own position in this because I believe this to be true and just - I think that we have a mandate to acquire the lands in these open-space lands of the State. This came directly from the people. There is no one on this Committee that is looking into this matter in any way that would participate in harming this program - quite the converse. I know that everybody sitting here has really in their public position and in their private position done more perhaps to generate an open-space program in the State than most of the others. I'd like to make that clear.

ASSEMBLYWOMAN HIGGINS: Thank you for that statement.

COMM'R ROE: I mean that. On the other hand, I don't think that it is proper - and I must say this and I respect the Committee for this point of view -- We are not dealing in a vacuum where the ugly head of politics does not rear itself and I believe you referred to this, that we are not dealing in a political matter. On the other hand, I think that in all due deference to our people, that they are entitled to point by point, chapter and verse, as to what the facts are in the matter.

ASSEMBLYWOMAN HIGGINS: Mr. Roe, you probably heard when you were here that we took a vote and unanimously agreed that all testimony would be made public.

COMM'R ROE: And I think that's wonderful on the part of the Committee. I think it's really going to be a big help.

ASSEMBLYWOMAN HIGGINS: I hope you appreciate also that

the reason we did keep it secret was for your sake and the commission's.

COMM'R ROE: No quarrel about that. I have no argument or quarrel with this Committee at all.

On the other hand, I want to say this, that it is interesting to note for the record - and this is my personal opinion - that there is one person who is an antagonist.

ASSEMBLYWOMAN HIGGINS: Mr. Roe, I would like to respectfully as chairman of this Committee say that I feel it would be out of order completely for any statement made by you at this hearing - if you wish to make a statement to the press, I think that is your prerogative - but as part of the hearing -- We are not inquiring into your opinions on one antagonist and I feel it is only fair because I'm not going to go into a defending or offending on anything on that basis and I would respectfully request that we don't have that type of testimony.

COMM'R ROE: I would never even suggest -- you misconstrue my approach to this.

ASSEMBLYWOMAN HIGGINS: I am sorry I interrupted you. I just wanted to make sure that ---

COMM'R ROE: I would never even demean this body with that type of a presentation. My only point of view was this: There has been one antagonist in the State who has said that this project should not have been acquired or who has said that this project is not valid, one out of six and one-half million people. I kind of support the point of view, if I may indulge a little bit on this point,

that we have an extraordinary job to do. Time is against us. We want to be about it. We need from this legislative body, by the way, the support and additional tools to work with, which we apparently don't have at this juncture. Neither professional people nor those in government should be subjected to this type - oh, what would you say? - this type of derogatory public utterances that have been made without being in a position to defend or improve it.

I think that the point you made earlier in this testimony that we are looking for new ways of improvement --

ASSEMBLYWOMAN HIGGINS: We are very happy to find out that you did accept some of our suggestions that have been made in the private hearings and we hope that our report, when it is ready, will be of some benefit to your Department as well as to the whole Green Acres program.

COMM'R ROE: And we know it's going to be.

ASSEMBLYWOMAN HIGGINS: We certainly appreciate your coming before us today and I am afraid that we are going to have to either adjourn completely --

COMM'R ROE: May I have two more minutes? You know, I have been preparing quite some weeks for this particular thing, with all due respect to Mr. Bateman.

ASSEMBLYWOMAN HIGGINS: Well, I want to respectfully point out that we have too.

ASSEMBLYMAN BATEMAN: By all means - we don't want to cut the Commissioner off.

COMM'R ROE: I would like to finish it. I think that the important point which I am going to suggest to this

Committee - and I have already started this procedure - is that there has got to be experts involved, that this Committee has a distinct disadvantage by not having the wherewithal to be able to bring in completely objective people who have not participated in this at all - and this is the point which you were making, which I subscribe to - and be able to say, "Let's get someone in here and let's have another appraisal or two." This is the only way that you can build upon facts as I see it.

ASSEMBLYWOMAN HIGGINS: Well, unfortunately, - I'll have to point it out again - we are cut in our funds and we just had a veto of money that could have been used for this purpose.

COMM'R ROE: I understand that. I support that point of view. That's perfectly all right. But I'd like to finish, if I may, Madam Chairman.

I think the point is that I talked to Mr. Plager, who is the president of the MAI Association of New Jersey, and I have gone over this problem from a professional point of view as to how can we resolve it. There are so many variances of opinion even on the part of appraisers. There has to be a mean for the Department to work with, whether it is our Department or any other department of State government. They can't be subject to the waste of time and this sort of thing to get these matters resolved. And the suggestion we are talking about with those people is to set up a real estate panel board of review, if you like, which would be made up of the - on a revolving basis - of the top

people in this State in this particular field, professionals. So that when there is an area of judgment that should see a little bit more light, if you like, or a little bit more professional attention to it, that these matters could be referred to that - call it the court of appraisers - call it what you will. So they can have the opportunity to review this information and help in the distinction and whether we should go to condemnation or what the situation should be.

ASSEMBLYWOMAN HIGGINS: I think you will find a meeting of the minds on this suggestion. It is one that we have had in our notes that we were thinking of.

COMM'R ROE: I think we talked about this a little while back.

May I bring up one more thing and then I am finished for the day? And I think it illustrates why I brought into the point of reference the Darlington Country Club - and please believe me, my point has nothing to do with politics, not whatsoever. I am just trying to spread the points out. I know this is a sensitive item in Passaic County - you live in Bergen County. I am not bringing this point up on that basis.

We have received within the last month from Bergen County a letter that had been written to the Governor and referred to our Department for investigation and also had been written to the Federal government, the HHFA, wherein they are - people in that county are questioning the acquisition of that site. And I would like to have the prerogative, if I may, of time to read this three-paragraph letter into the minutes and then I'd like to comment my

feeling on this and what we are doing about it. I think it is very germane to this particular hearing. And we also have two or three others that we should touch upon. But I'd like to read this because I think it is important. I think it is very important to this Committee.

[Discussion among Committee members.]

COMM'R ROE: I am not asking for an investigation, Madam Chairman, of Darlington. I want to read this letter into the record.

ASSEMBLYWOMAN HIGGINS: In other words, the letter is pertaining to an investigation of Darlington?

ASSEMBLYMAN BATEMAN: Let's make a fast decision. Read it quick.

COMM'R ROE: This letter says that the "Bergen County Board of Freeholders have recently completed the purchase of a playground tract in the Mahwah-Ramsey Bergen County area for \$1,150,000. Part of the cost will be borne by the Green Acres money.

"As a result of many stories circulating in our county concerning the price paid for the tract of approximately 168 acres" - that figure is wrong, by the way - "the regular Republican organization of Bergen County made an investigation. It was learned that the --"

ASSEMBLYWOMAN HIGGINS: Mr. Roe, now that you have mentioned whom the letter is from, I can understand the purpose of your reading it and it was not the purpose you gave.

COMM'R ROE: There is no purpose for me -- well, I am

telling you, Madam Chairman, this is a matter --

ASSEMBLYWOMAN HIGGINS: Go ahead. Continue.

COMM'R ROE: [Continuing] -- for the court, I would think.

[Continuing reading] "It was learned that 100 per cent appraised value of the property is listed on the tax rolls as \$389,000, about one-third of what the freeholders and administrators of the Green Acres fund agreed to pay."

May I call to your attention, this letter is not only deleterious to them, but to the program.

"The apparent overprice of this property has shocked Bergen County. A considerable sum of taxpayers' money is involved. State and Federal moneys are directly involved.

"We urge you to name an impartial investigating committee to ascertain all of the facts of this transaction and it is imperative that speedy action be taken and I am writing this letter in behalf of the entire ticket of the regular Republican organization." And it is signed by a Mr. Edward J. Russo.

Now the only reason I am bringing this before the Committee is that this Committee is legally constituted, as I see it, and we called upon this Committee once before. We may be calling upon this Committee again. We are analyzing this ourselves. The Federal people have asked us about this particular project.

I think it is germane to bring this up for this reason and this reason only: If we are not to participate as the point again that you had commented on - that this Com-

mittee has not been constituted to participate in witch hunts or anything of that nature -- and I know that the sincerity of purpose and the action of this Committee certainly does not support that position. On the other hand, all throughout this State - and I must make this statement - whether it is in Passaic County, whether it is in Bergen County, whether it is in Cape May County, Warren County or any other county, there isn't one single Green Acres project, barring none - barring none - that doesn't require an extraordinary amount of effort to be able to acquire the land to begin with, to set it aside, because of the loss of tax ratables, the constant antagonism - "What is this land for? For what type of people?" - which I abhor and I know everybody else on this Committee does - the loss of time on condemnations, multiple condemnations, and what have you, even to the point where some of those in public office would take the position along the line in any way that it's O.K. for Green Acres - it's a wonderful thing - but not in our county.

I would just like to leave this Committee with one point if I may and I feel obviously quite strongly about it. I think that the effort that is being put forth to set aside this land far belies these types of antagonisms that we have been put to. And I think that in the wisdom of this Committee, if I may indulge this for a moment, that if we can develop a straight-forward approach with the types of reviews we are talking about, where this project can remain inviolate, including those people who are administering it --

We have absolutely nothing in our records that is not available to this Committee to everything that we have done and the knowledge that we have and we have attempted our best to make it available. If there is anything else that the Committee thinks that they need in their wisdom whatsoever, we will continue to do that.

ASSEMBLYWOMAN HIGGINS: Mr. Roe, I'd like to ask you just one question: Have you received any other letters about Green Acres comparable to this type of letter that you read today?

COMM'R ROE: Yes.

ASSEMBLYWOMAN HIGGINS: There have been objections made to other --

COMM'R ROE: Perth Amboy - we have a letter that just came in about a week ago.

ASSEMBLYWOMAN HIGGINS: I raise the question because I question your taste in reading a letter written by a political party that you knew was in opposition to me in the last election and we have tried very carefully to keep this out of the area of politics.

COMM'R ROE: I would do nothing --

ASSEMBLYWOMAN HIGGINS: Your testimony is that you have received other letters, but you didn't choose --

COMM'R ROE: One other letter at the moment. We have one from Fairfield. We have a case pending there. We have received one from Perth Amboy recently.

ASSEMBLYWOMAN HIGGINS: So there have only been two letters - four letters altogether. Thank you very much, Mr. Roe.

COMM'R ROE: Thank you.

ASSEMBLYWOMAN HIGGINS: Is there anything anyone else would like to say?

MR. FERRARA: The only thing I'd like to say, Madam Chairman, is as counsel I sat here not asking questions. I was prepared with quite a bit of information I would have liked to check out. I am certainly happy that this hearing has to be continued because there are many areas if we go into details on, we are going to have to go into a great deal of details - Wawayanda, Shelton College and Florida Lakes.

ASSEMBLYMAN TANZMAN: I am sure the Commissioner is willing to come back.

COMM'R ROE: Whatever is the judgment of the Committee, we abide by.

ASSEMBLYWOMAN HIGGINS: We will discuss this with you then, Mr. Commissioner, over the phone and decide what we will do.

COMM'R ROE: Fine. Anything we can do to be of help.

ASSEMBLYWOMAN HIGGINS: And we want to thank you very, very much for the time you have given to helping our Committee. We hope that in no way have we interfered with your progress in solving the water problem.

COMM'R ROE: None whatsoever. Thank you.

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