

STATE HOUSE COMMISSION
PROPOSED MEETING AGENDA
September 23, 2024 – 9:00 a.m.
Committee Room 7 - Second Floor
State House Annex, Trenton, NJ
Email: StateHouseCommission@treas.nj.gov

Formal action may be taken at the meeting.

CALL TO ORDER:

- ~ Assad Akhter, Deputy Chief of Staff, Legislative Affairs
(on behalf of Governor Philip D. Murphy)
- ~ Aaron Binder, Deputy State Treasurer
(on behalf of State Treasurer Elizabeth Maher Muoio)
- ~ Tariq Shabazz, Acting Director Office of Management & Budget
- ~ Senator Bob Smith
- ~ Senator Anthony M. Bucco
- ~ Assemblyman John DiMaio
- ~ Assemblywoman Eliana Pintor Marin

OLD BUSINESS:

1. Approval of the June 13, 2024, State House Commission (SHC) Meeting Minutes--The verbatim record of the June 13 2024, SHC meetings will serve as the official minutes.

DEPARTMENT OF ENVIRONMENTAL PROTECTION – UPDATE

2. On June 30, 2016, the State House Commission approved the New Jersey Department of Environmental Protection's request to allow the Borough of Seaside Heights to transfer (dispose of) approximately 1.37 (+-) acres of Borough-owned parkland, located on the Borough's public beach to the adjacent private owner of the Casino amusement Pier. To compensate for the proposed disposal, the Borough proposed three forms of compensation: (1) acceptance of ownership of the historic Dentzel-Loof Carousel (then owned by the Casino Pier owners) for eventual public use; (2) acceptance of ownership

and dedication as parkland of a vacant boardwalk parcel (Block 56, Lots 1,3, 7 and 9, totaling 0.75 (+-) acre and (3) the dedication as parkland of 67.171 (+-) acres of additional replacement land owned by Ocean County and located in Toms River Township (Block 409, Lot 20.02.)

The construction of a building to house the Carousel was not part of the DEP's approved compensation for the proposed disposal, however the Commission's approval required the Borough to house the Carousel in a sheltered location in which it can be made available as a public recreation amenity no later than June 30, 2019, either by constructing a new building on the boardwalk replacement parcel or, if that is not feasible, then locating the Carousel somewhere else on or adjacent to the public boardwalk.

At the Commission's February 13, 2020 meeting, the Borough requested and received an extension of time to June 30, 2021, to comply with the Commission's condition to house the Carousel and the DEP's condition to file a formal nomination form to seek the listing of the Carousel on the National Register of Historic Places.

Update: On July 3, 2024, after a five-year \$2.5 million dollar restoration project, the Carousel opened to the public in an ADA-accessible building constructed by the Borough on the Boardwalk replacement parcel. The building also contains public restrooms and historic displays showcasing both Seaside Heights and Ocean City history. DEP has been advised by the State Historic Preservation Office that the process for listing the Carousel on the National Register of Historic Places could not be completed while the Carousel was dismantled and undergoing restoration. Now that the Carousel has been put back together and installed in a fixed location, DEP will remind the Borough of its obligation to file the nomination form for the National Register listing and determine how much additional time that process may take.

DEPARTMENT OF THE TREASURY REQUESTS:

3. Project: RPR 20-01, Hagedorn Psychiatric Hospital, Block: 9, Part of Lot: 7, Glen Gardner Township, Hunterdon County

Requesting Party: The State House Commission, at its meeting of April 8, 2024, approved an amendment to an existing lease with Evoke Wellness NJ LLC ("EVOKE") to allow Evoke to transfer its leasehold interests to a new investor, ICON, who is going to ground lease the property surrounding East Hall, and purchase the building to improve it to open a drug treatment center. The Department of the Treasury, on behalf of ICON, is requesting that the previous approval be amended to reflect the name change from ICON

to GShack Group LLC ("GShack"); a subsidiary of ICON. Both companies are owned by the same entity.

Terms: All terms and conditions approved at the April 8, 2024 meeting remain the same, and consist of the following. GShack, is requesting that the State sell them the building for the purchase price of \$570,000, based on the appraisal of its "as-is" condition, and change the existing building lease with Evoke to a 30-year ground lease, at the same terms as the building lease. GShack will immediately satisfy all construction liens upon finalization of the agreement. As a result of the purchase price and ground lease the net will be an additional \$2.47 million to the State in back-owed rent. In the event GShack fails to complete the construction of East Hall, the State will retain the option to repurchase the building.

NEW BUSINESS:

DEPARTMENT OF THE TREASURY REQUESTS:

4. Project: RPR 23-22, 101 Ridgedale Avenue, Block: 801, Lot: 3, Town of Morristown, Morris County

Requesting Party: The Department of the Treasury, on behalf of the NJ Motor Vehicle Commission (NJMVC), requests approval to sell 0.68(+/-) acres of land and improvements, located at 101 Ridgedale Avenue, in the Town of Morristown, Morris County, that has been declared surplus by the NJMVC, to the Town of Morristown.

Terms: The property will be sold via direct sale to the Town of Morristown for the appraised value of \$850,000. In the event the direct sale does not occur, Treasury will dispose of the property via internet auction at the minimum bid price of \$850,000.

5. Project: RPR 23-26, 139-141 Alexander Street, Block: 4059, Lot: 26, City of Newark, Essex County

Requesting Party: The Department of the Treasury, on behalf of the Department of Law & Public Safety, requests approval to dispose of a residential property, located at 139-141 Alexander Street, in the City of Newark, Essex County, that was acquired through forfeiture. The property was never used by the Department of Law & Public Safety.

Terms: The property will be sold via internet auction at a minimum bid of \$150,000.00, which is the appraised value.

6. Project: RPR 24-04, 383 E. Main Street, Block: 49, Part of Lot: 3, Tuckerton Borough, Ocean County

Requesting Party: The Department of the Treasury, on behalf of the Department of Law & Public Safety, requests approval to lease a portion of property, on the grounds of the Tuckerton State Police Station, (Block 49, part of Lot 3) to Interstate Outdoor Advertising, L.P., for use of an existing billboard.

Terms: The lease will be for a term of twenty (20) years, with an annual rent of \$2,500. In lieu of rent for the first four (4) years and two (2) months, Interstate Outdoor Advertising will install a second billboard on the property, which will be used exclusively for New Jersey State Police recruitment. The installation of the second billboard will total approximately \$10,449. Annual rent for year five (5) will be \$2,083.00 and will increase to \$2,500 annually years six (6) through twenty (20). Lessee will be responsible for all taxes and utilities supplied to the leased premises.

7. Project: RPR 25-18, 5 Jean Street, Block: 901, Lot: 2, Town of Morristown, Morris County

Requesting Party: The Department of the Treasury, on behalf of the Department of Education, requests approval to dispose of via direct sale, 10 (+-) acres of land and improvements located at 5 Jean Street, Block 901, Lot 2 in the Town of Morristown, Morris County, formerly known as the Morris Regional Day School, to the Morris County Educational Services Commission. The Department of Education has declared this property surplus to its needs. Legislation for this direct sale was approved on September 12, 2024, P.L. 2024, c.70.

Terms: The property will be sold for the negotiated price of \$1.00.

DEPARTMENT OF TRANSPORTATION REQUESTS:

8. Project: Route 35 Extension, Sections 12, 13 & 14, Parcel VR44B, Block: 238.01, adjacent to Lot: 3.03, Township of Woodbridge, Middlesex County

Requesting Party: The NJDOT, requests approval to convey excess vacant land located in the Township of Woodbridge, County of Middlesex, acquired as Route 35 Extension, Sections 12, 13, 14, now known as Parcel VR44B, containing a total of 14,040 (+-) square feet or 0.32 (+-) acre to the only adjacent property owner, Woodbridge Dialysis Center, LLC, d/b/a/ Garden State Kidney Center, whose parent company is American Renal Associates, LLC, with a construction and maintenance easement. The NJDOT has determined that the listed parcels are no longer required for use by the department and title has been vested in the State for more than 10 years. The County and the Township have expressed no interest in acquiring the parcels for public use.

Terms: The property will be disposed via a direct sale to Woodbridge Dialysis Center, LLC, d/b/a Garden State Kidney Center for the appraised value of Two Hundred Eighty-Five Thousand Dollars (\$285,000). The intended use is for private development purposes and can only be used as an assemblage to the requestor's property.

9. Project: Route Interstate 280, Parcels: VX358, VX360, VX377, 103-109 Sussex Ave., Block: 2853, Lot: 1.02, City of Newark, Essex County

Requesting Party: The NJDOT, requests approval for the release of an existing NJDOT Excess Land Use Restriction that was previously placed on Parcels VX358, VX360, VX377, in the City of Newark, Essex County. The property is an irregular shaped lot with 147 feet frontage along Sussex Avenue and 282 feet along Nesbitt Street, containing a total of 1.455 (+-) acres. The property was conveyed to the City of Newark by the NJDOT and held on behalf of Newark for public use by the New Hope/Community Development Corporation for a charter school.

Subsequently, a portion of the original conveyance was identified for redevelopment to multifamily use, with affordable housing provided in the form of 16 homes on site. Deductions totaling \$2,884,707.00, were deducted from the appraised value, to reflect; (1) a payment from NJDOT of \$782,338.00 that was placed into Newark's affordable housing trust fund. This payment has been identified by NJDOT's Deputy Attorney General as a feature specific to Newark charged to any property conducting residential development. The appraisal did not take into account this additional cost for development in Newark, which reduces the value of the land by the cost of the required fee to undertake the development; (2) a deduction of \$1,305,012.00, NJDOT placed in escrow for environmental remediation; (3) a \$304,000 deduction for 16 affordable units (appraised value \$19,000 per unit); (4) \$228,231 in approval costs (costs to increase highest and best use in order to maximize return and provide affordable housing; (5) a deduction of \$265,125 for the 2,450 square foot Community Center which is run by the Hope Baptist Church and which remains within the definition of public use and reduces the site's building potential.

The conversion to multifamily use will result in a substantial increase in value of the land to a total of \$3,534,000.00, which is the appraised value.

Terms: The total amount to be paid to the State for release of the restrictions to permit redevelopment of the property is \$650,293.00. Along with this payment, the NJDOT was paid \$215,000 by the City of Newark when the land was originally purchased by Newark. These funds were not refunded or deducted.

Parcels VX358, VX360 and VX377 will have the existing public use restrictions removed. The Community Center run by Hope Baptist Church will be given a separate deed restriction as part of the transaction to ensure that it remains public use serving the community.

DEPARTMENT OF ENVIRONMENTAL PROTECTION REQUESTS:

10. Project: Atlantic City Public Beach, Pete Pallitto Field and Bader Field, Multiple Blocks and Lots, City of Atlantic City, Atlantic County

Requesting Party: The NJDEP on behalf of the City of Atlantic City, requests approval to allow the acquisition of four 10-foot wide underground electric utility easements across the Atlantic City Public Beach and Boardwalk and two 10-foot wide underground electric utility easements across both Bader Field, in-water Boathouse property, and Pete Pallitto Field, by Atlantic Shores Offshore Wind Project 1 LLC (Atlantic Shores) as part of the Atlantic Shores Offshore Wind Project 1 (Project). Atlantic Shores is proposing to develop a 1,510 MW offshore wind generation project within the BOEM Lease Area OCS-A 0499 and to connect to the electric grid via a series of underground electric utility cables. The crossing of the City's parks will require the establishment of permanent non-exclusive utility easements for the proposed electric transmission cables. The 10-foot wide permanent non-exclusive easements total approximately 2,100 (+-) linear feet through the Beach, 590 (+-) linear feet through Pete Pallitto Field and 460 (+-) linear feet through Bader Field and in total will encompass approximately 1.803 (+-) acres of Green Acres encumbered parkland.

This project is proposed to assist with meeting the thresholds established by Executive Order 8 (2018), which set a goal of 3,500 megawatts (MW) of renewable energy by 2030, Executive Order 92 (2019), which increased the goal to 7,500 MW by 2035, and Executive Order 307 (2022), which further increased the goal to 11,000 MW by 2040 of which all are in furtherance of the State's Offshore Wind Economic Development Act (OWEDA), P.L. 2010, c. 57.

Terms: Atlantic Shores is currently working with the City to identify appropriate compensation for the proposed diversion. The City has tentatively agreed to encumber approximately 46.35 (+-) acres of City-owned property for recreation and conservation purposes. Appraisals are in the process of being prepared for the proposed compensation parcels to determine if they meet the requirements outlined in N.J.A.C. 7:36.10. If the NJDEP determines that the appraised market value of the Replacement Land is lower than estimated, Atlantic Shores agrees to work collaboratively with the NJDEP and the City to address the difference pursuant to N.J.A.C. 7:36-26.10(d)7. Any land proposed as compensation will need to be deemed acceptable by the NJDEP to satisfy the compensation requirements of the Green Acres rules at N.J.S.A. 7:36-26.10.

The public beach and parks above the proposed diversion area will remain accessible to the public, and the City will not be allowed to place permanent structures on or within the permanent easement areas without first having obtained Atlantic Shore's approval in writing, which approval shall not be unreasonably withheld.

11. Project: Big Timber Creek Park, Block 78, Lot: 2, Borough of Bellmawr, Camden County

Requesting Party: The NJDEP, on behalf of the Borough of Bellmawr ("Borough"), requests approval to allow the Borough to remove Green acres restrictions from Block 78, Lot 2, in the Borough of Bellmawr, Camden County, containing approximately 17.862 (+-) acres of parkland, to the Bellmawr Redevelopment Agency ("BRA") in connection with the Bellmawr Waterfront Redevelopment Project. The proposed disposal of parkland will facilitate remediation, of a former landfill site, replace a failing stormwater management system, restore and expand parkland in the area, and promote economic revitalization.

Terms: As compensation for the proposed disposal of the 17.862 acres, the Borough proposes to dedicate three parcels, totaling 127.346 acres, in fee for recreation and conservation purposed. The proposed compensation parcels include; 1) Block 79.01, Lot 9.02 in the Borough of Bellmawr, Camden County (21 acres); 2) Block 1.02, Lot 1.02 in the Township of Deptford, Gloucester County (1.8 acres); and, 3) Block 328, Lot 5 in the Township of West Deptford, Gloucester County (104,546 acres). The Bellmawr and Deptford compensation parcels totaling 22.8 acres will be added to the remaining Big Timber Creek Park parcel to expand the park to 34.7 waterfront acres. The West Deptford compensation parcel was a parcel that was identified by the Department for conservation since it is adjacent to the Delaware River, holds a mixture of deciduous forested, scrub shrub and coastal/tidal wetlands and is mapped as habitat for both state and federally listed threatened/endangered species.

12. Project: Bowtie Pool Property/Cypress Park II, Block: 649.01, Part of Lot: 1, Township of Woodbridge, Middlesex County

Requesting Party: The NJDEP, on behalf of the Township of Woodbridge ("Township") requests approval to allow the Township to remove Green Acres restrictions from a 1.001 (+-) acre portion of the 6-acre Green Acres encumbered Bowtie Pool/Cypress Park II property and convey it to the Consolidated Rail Corporation ("Conrail") for the construction of a track and two new switches. The construction project will provide direct access between the Port Reading Secondary Line and the Garden State Secondary line, eliminating the need for extended train idle times in residential areas. The only property on which this track can be built is on the proposed disposal area.

Terms: To compensate for the proposed disposal, the Township has acquired 4.862 (+-) acres of replacement land in fee simple that will be permanently restricted for recreation and conservation purposes and added to the Township's Recreation and Open Space Inventory. Additionally, to offset the loss of recreational amenities at the Bowtie Pool property, the Township has undertaken significant recreational improvements at Bowtie Pool and its Cypress Recreational Complex, including upgraded soccer fields, two new roller hockey rinks, new playground equipment/unitary playmat, walking paths, pickleball courts, volleyball courts and restrooms.

13. Project: Hopatcong State Park, Block: 11101, Lot: 1, Township of Roxbury, Morris County

Requesting Party: The NJDEP, requests approval to amend a 1971 easement it granted to Morris County to add an additional 0.0012 acre (53 square feet) to the easement area. Under the 1971 easement, Morris County was granted a permanent right-of-way over, under, upon and across 2,870 square feet of land owned by NJDEP, together with slope rights, for roadway widening as part of the reconstruction of Lakeside Boulevard and Mount Arlington Boulevard in the Township of Roxbury, County of Morris. The County now needs additional easement area for the installation of a Low Maintenance Compressive Barrier Crash Cushion as part of its Landing Road Bridge replacement project. The proposed easement amendment will serve the public's benefit by improving public safety.

Terms: The proposed compensation for the easement amendment is a one-time payment of one thousand (\$1,000) dollars.

14. Project: Keansburg Waterfront, Block: 184, Lots: 1, 3.02, 3.03, Borough of Keansburg Monmouth County

Requesting Party: The NJDEP, requests approval to vacate the State's interest in several shore protection easements, within Block 184, Lots 1, 3.02, 3.03, totaling 0.305 (+-) acre (13,302 (+-) square feet), in the Borough of Keansburg Monmouth County, originally, acquired in the 1960's, as part of the Raritan Bay-Sandy Hook Hurricane & Shore Protection Project ("Project").

As part of the project, the municipalities in the project area, acquired easements from the bayfront property owners located within the project area, that authorized the State and the Army Corp. of Engineers, (who partnered with NJDEP), to construct the project. At the time, the easements extended to the water's edge and gave the easement holder the right to maintain the original shore protection project and erect future shore protection structures. Most of the project area was used for beachfill, but also included a levee tied to a floodgate facility.

The original shore protection project was intended to be operated by the Hazlet-Keansburg-Middletown Joint Flood Control Commission, however the Commission encountered financial problems in the 1980's, the NJDEP assumed responsibility for the project, including maintenance of the levees and floodgate.

Due to significant accretion along the Raritan Bay beachfront in the last 50 years, the bayfront shoreline has shifted as much as 500 feet from where it was when the project was first constructed. As a result, the original easement areas are now entirely on upland. The NJDEP has now been approached by Pizzo at Keansburg, LLC, the owner of Block 184, Lot 1, and the Borough of Keansburg, in its capacity as owner of Block 184, Lots 3.02 and 3.03, requesting the State vacate its interests under the easements. The NJDEP concurs that the easements on these lots no longer serve their intended purposes and are not needed for future shore protection purposes, and that vacating them is justified.

Terms: Since the NJDEP has determined that the original easements (only as they relate to the portions of Block 184, Lots 1, 3.02 and 3.03) no longer serve their intended purposes, no compensation is proposed.

DIVISION OF PENSIONS AND BENEFITS' REQUESTS:

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

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

1. Approval of the Minutes of meeting held on June 13, 2024.
2. Confirmation of Death Claims, Retirements and Survivor Benefits.
3. Receive Financial Statements for February 2024 through June 2024.

OTHER BUSINESS (as necessary)

ADJOURNMENT