

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

before

ASSEMBLY AGRICULTURE AND ENVIRONMENT COMMITTEE

on

ASSEMBLY NO. 1334

(An Act appropriating \$5,000,000.00 from the State Recreation and Conservation Land Acquisition and Development Fund for State programs to acquire and conserve lands for recreation and conservation purposes.)

Held:
February 23, 1976 &
March 1, 1976
Assembly Chamber &
Room 223
State House
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman H. Donald Stewart (Chairman)
Assemblyman Walter J. Kozloski
Assemblyman Byron M. Baer
Assemblyman James Barry, Jr.
Assemblyman Louis Bassano

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PUBLIC HEARING

before

ASSEMBLY STRUCTURE AND ENVIRONMENT COMMITTEE

ON

ASSEMBLY NO. 134

(An Act appropriating \$2,000,000.00 from the State
Treasury and Conservation Land Acquisition and
Development Fund for State program to acquire and
develop lands for recreation and conservation
program.)

Held:
February 22, 1974
March 1, 1974
Assembly Chamber
Room 111
State House
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

- Assemblyman E. Donald Stewart (Chairman)
- Assemblyman Walter J. Kozlowski
- Assemblyman David M. Holt
- Assemblyman James Barry, Jr.
- Assemblyman Louis L. Lefkowitz

I N D E X

	<u>Page</u>
David J. Bardin, Commissioner Department of Environmental Protection	1 & 1x
Philip Alampi, Secretary Department of Agriculture	4 & 4x
John Van Zandt, Coordinator Rural Resource Services	5
Henry Metzger, Freeholder Burlington County	14
Bernard Cedar, Director Burlington County Planning Board	15
James Drews, State President Future Farmers of America	19
Arthur H. West, President New Jersey Farm Bureau	21
George Barbour, Assemblyman 7th District	26
Thomas Gagliano, Township Attorney Holmdel, New Jersey	34
Joseph Popolo, Township Committeeman Holmdel, New Jersey	35
V. Eugene Vivian Executive Director Conservation and Environmental Studies Center	1 A
David F. Moore Executive Director New Jersey Conservation Foundation	2 A
Earl Emmons Farmland Owner	4 A
Newton Layton Farmer, Salem County	7 A
Lester C. Jones Medford, New Jersey	8 A
Charles Grayson Tax Assessor, Montgomery Township, Somerset County	8 A
Sidney Willis, Assistant Commissioner Department of Community Affairs - Housing and Planning	15 A

(Index - continued)

	<u>Page</u>
William Beren Legislative Agent League for Conservation Legislation	22 A
Lois Hoffmann League of Women Voters	23 A
Phillip Alampi Secretary of Agriculture	1 B
Robert F. Ferguson New Jersey Association of Realtors	17 B
Philip J. Cocuzza New Jersey Builders Association	19 B
 ALSO SUBMITTED:	
Letter from Gregory C. Fehrenbach	21 x
Resolution from William A. Angus, Mayor, Township of Moorestown	23 x
Statement of Esther Yanai Planning Board Member, Moorestown Township	25 x
Letter from W. Brooks Evert Pinelands Environmental Council	26 x
Letter from Robert F. Ferguson, Jr. New Jersey Association of Realtors	28 x
Letter from Bill Beren League for Conservation Legislation	30 x
Letter from Donald S. MacNaughton Chairman and Chief Executive Officer The Prudential Insurance Company of America	32 x
Letter from Ella F. Filippone Passaic River Coalition	34 x
Memo from the New Jersey Department of Agriculture	35 x
Statement from Arthur H. West New Jersey Farm Bureau	40 x
Statement from Lloyd Wescott Dairy Farmer, Rosemont, New Jersey	48 x

ASSEMBLY, No. 1334

STATE OF NEW JERSEY

INTRODUCED JANUARY 19, 1976

By Assemblymen BARBOUR and YATES

Referred to Committee on Agriculture and Environment

AN ACT appropriating \$5,000,000.00 from the State Recreation and Conservation Land Acquisition and Development Fund for State programs to acquire and conserve lands for recreation and conservation purposes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. There is hereby appropriated to the State Department of
2 Environmental Protection from the State Recreation and Con-
3 servation Land Acquisition and Development Fund from funds
4 pursuant to the "New Jersey Green Acres and Recreation Oppor-
5 tunities Bond Act of 1974" (P. L. 1974, c. 102) the sum of
6 \$5,000,000.00 for the purpose of acquisition of lands by the State
7 for recreation and conservation purposes, including the acquisition
8 of development rights, conservation easements and other interests
9 less than a fee simple.

1 2. Such sum may be made available by the sale of bonds autho-
2 rized by the "New Jersey Green Acres and Recreation Opportuni-
3 ties Bond Act of 1974" (P. L. 1974, c. 102).

1 3. This act shall take effect immediately.

STATEMENT

This bill appropriates \$5,000,000.00 from the State Recreation and Conservation Land Acquisition and Development Fund for the acquisition of lands by the State for recreation and conservation purposes.

The appropriation will permit the State to test a program to conserve farmland through the purchase of rights to develop such lands. The Department of Environmental Protection and the Department of Agriculture intend to undertake a demonstration project in a limited area of the State to conserve open space farm-

land, and thus to obtain information needed to evaluate the concept of preserving such lands through the purchase of development rights and other interests less than a fee simple. This demonstration project is consistent with recommendations of the Governor's Commission to Evaluate the Capital Needs of New Jersey, and prior findings of the Legislature (P. L. 1975, c. 155) that in administering the Green Acres program the State should avoid acquisition of lands actively devoted to agriculture whenever possible and, when feasible, acquire instead development rights, conservation easements and other interests less than a fee simple.

H. DONALD STEWART (Chairman): The public hearing on Assembly Bill 1334 will now come to order. Our first speaker will be Commissioner Bardin of the Department of Environmental Protection.

D A V I D J. B A R D I N: Thank you, Mr. Chairman. Assembly Bill 1334 proposes to appropriate funds which the voters of New Jersey made available by the referendum vote in November, 1974, approving the third Green Acres Bond issue. The bill would provide the funds with which two departments of State Government - the Department of Agriculture, represented so ably by Secretary Alampi who will cover the details of the program, and the Department of Environmental Protection - will undertake a pilot program testing the feasibility of State acquisition of development easements on agricultural land.

This program would represent a significant step forward in farmland preservation, albeit a cautious, prudent, and modest first step to test the concept before substantial public funds - State or Federal - are invested in implementing the concept.

As I see it, there are three basic questions that this Committee and the Legislature of New Jersey should resolve in considering the proposed appropriation. Those questions are set forth in some detail - analyzed in some detail - in my letter to you, Mr. Chairman, dated February 20th. I believe copies of that letter have been set before the members of the Committee and have been made available to the public and the press, so I won't undertake to read the entire letter. However, I do want to touch on the three basic issues, as I see them. They are the issues of eligibility, of economics, and of benefit.

As to eligibility, this Green Acres Bond Act makes it very clear, as have its three predecessors, that there are two land acquisition purposes involved in Green Acres. One is conservation and the other is recreation. The program we are discussing today is a key part of the State conservation program rather than the recreation program. We are not talking about buying land for parks, we are talking about conserving open space. Indeed, all three Green Acres Bond Acts have authorized the use of Green Acres money to purchase easements, rather than fee simple total ownership in farmland situations. And the last two Green Acres Bond Acts, those of 1971 and 1974, have urged the Department of Environmental Protection to make use of development easement purchases rather than outright purchases of farmland wherever possible.

Regrettably, until this day, the Department has not found effective mechanisms to follow through on that mandate that the Legislature and the voters have set before us. The bill that is before you today would finally take a major step toward conserving open space land through the easement purchase device, rather than the outright purchase.

The reason for emphasizing purchase of easements is twofold, in my judgment. On the one hand, the Legislature was sensitive to the desirability of preserving the viability of farming in the Garden State. This is a sensitivity that Secretary Alampi will cover more extensively. But I think that was reflected in the Green Acres Bond Acts themselves.

Secondly, we have the economic factor - the factor of money, the factor of cost to the taxpayer. We all know - those of you in the Legislature and those of us in the Executive Branch - the Green Acres Bond Acts that have been passed so far - all three of them put together - and any foreseeable Green Acres Bond Acts in the future are not going to be enough to buy all of the open space land outright that we would like to see preserved for ourselves and our descendants as an inheritance, as an aesthetic inheritance, as a spiritual inheritance.

The purchase of easements, the scenic easements, the conservation easements,

the development rights, is a device by which the State can secure the long-term open space that it needs without paying so much for it. After all, what is a development easement? A development easement is a recognized interest in real estate, in real property. It is that aspect of ownership which deals with the right to build extensively and develop for housing or industry or commerce.

A development easement can be recorded in a deed. And under the program that you are considering today - that we are proposing to you today - the development easement, in the end, would be recorded in the deed. The development easement would belong to the State of New Jersey, who would be holding it in trust for all of the citizens of New Jersey. The deed would be filed. There is no question of making bonus payments, or subsidy payments under this program. The question is one of buying an interest in real estate.

At the same time, under this program, the farmer would retain - the owner of the farmland - another recognized interest in real estate. He would retain the ownership of the land for its farming purposes. He would be entitled to sell that land to another. Farmers could sell land back and forth. He would, of course, pay real property taxes to local municipalities, exactly at the same as the present rate under the Farmland Assessment Act.

So, here we would have a saving to the taxpayer because the taxpayer would pay for part of the real estate and not all of the real estate value of the land.

Finally, there is the question of benefit. It is worth it? Is it important? Is it valuable to the taxpayers, the citizens and the voters of New Jersey that we preserve farmland? In my judgment it is. Again, Secretary Alampi can expound on this in terms of his lifetime of experience and his reports on the various studies that have been made. But, as I suggested in my letter, it seems to me that there is a very important aesthetic, spiritual value to farmland preservation, not to mention the value of preserving farming, or trying to do something to preserve farming in this State, considering the value in terms of farm prices and the long-term shortage of arable land and agricultural produce for all of our citizens who are consumers of farm produce.

As to the particular program, I would like to emphasize that the two Departments and their staffs and the consultants have worked up a detailed program which involves step-by-step consultation with the local interest, the municipal interest, the farming interest in a particular area of the State selected for a demonstration project. Apart from administrative cost there will be no expenditure of the funds that we are proposing you appropriate until we have gone through an entire process to determine whether farmers in this part of the State will voluntarily work with the State to develop a real agricultural preserve - an area big enough to make farming viable in it. We are not talking about isolated parcels. There will be no use of these monies to buy development rights in one parcel here and one parcel there. It is only if a block can be put together that is really viable, in the professional judgment of the agricultural experts, that the program will go ahead.

So, it will take something like a year of working with the farmers and the communities and, I think, Rutgers and other experts in this field, to have a final judgment made whether we have a program which is really viable. In the course of that, we will be appraising substantial amounts of development rights for the first time on this kind of scale anywhere in the country, I believe. We will be getting practical information as to the social and the policy and local government community side of the entire enterprise. And I think New Jersey will be pioneering in a one practical demonstration project, putting together information that will be extremely

important not only to this Legislature and the voters that we serve here in New Jersey but also to the Congress of the United States for possible Federal programs picking up from the initiative that we can take here this year in New Jersey.

Thank you very much. I am open to your questions.

ASSEMBLYMAN STEWART: Thank you, Commissioner. First, for the record, I would like to indicate that we have Assemblyman Barry, Assemblyman Kozloski, and Assemblyman Bassano in attendance.

The first question that I have is, has any plan, similar to this, using bond money, been tried anywhere else in any other State, to your knowledge?

COMMISSIONER BARDIN: It has been discussed but it hasn't been tried. I think on Long Island they had a comperable proposal and, as I recall it, the estimated expense for one county in New York State on Long Island exceeded all of the funds available for all State land acquisition under the 1974 Green Acres Bond Act. You will recall that the 1974 Act was approved by the voters, allowing for \$50 million toward State acquisition of green acres. The bill before you deals with 10% of that money - 5% of that total. The estimates were \$60 million for one county in New York. So, it hasn't really been done.

ASSEMBLYMAN STEWART: Did I understand you correctly to say that no funds will be spent on this project except for acquisition of land, or will there be start-up funds, will there be seed money?

COMMISSIONER BARDIN: There will be a small amount of seed money for administrative costs of between \$100 and \$200 thousand over the course of the year. This is the DEP's share - there will also be agricultural funds - of a program to have a project manager who will work with the farmers in the area. This will be an operating office of the Department of Agriculture. If we go into the appraisals - if we get that far - we will be paying for appraisals with such money. But, otherwise, it will only be used for purchase of development easement, when, as, and if that decision is actually made, to go ahead and implement this test.

ASSEMBLYMAN STEWART: I assume we will hear some objection, or some constructive criticism, here this afternoon. But one of the things I have heard a few times already is, this legislation does not really say anything except "we will give you \$5 million - go to it." Is there any reason why this legislation is not more specific than it is? Is there any reason why guidelines could not be incorporated in a companion bill, for instance, or into this bill to ease the criticism of some of those who feel we are giving a blank check here?

COMMISSIONER BARDIN: Yes, I think there are reasons, Mr. Chairman. One, we already have the guidelines that I referred to before, both in the 1974 Bond Act that was approved by the voters in referendum and in the general implementation act that the Legislature passed last year - Governor Byrne signed this last summer - which set those guidelines, calling upon us to secure the conservation objectives of the law on the one hand and to go the development easement route rather than purchasing farmland outright.

Second, the Green Acres Appropriations Bills themselves are - if you will look in the last one - the same pattern -- you simply appropriate the funds.

Third, however, we developed a pattern last year with the watch dog committee - on which, I understand, you will be an ex officio member, Mr. Chairman, under the new proposed resolution - by which we report regularly to them on the use of the Green Acres money. In this case, because we are breaking unusual ground, it seems to me you might want to have an oversight arrangement - not legislation in the bill, but oversight - by which there will be a point, when we see that this project is really going to work - if we reach that point - I would think that the Legislature might well want to conduct a

public hearing, or a set of public hearings, before that money is actually used to purchase the easement to make sure that everybody understands what we have learned by the one year effort: where we stand, how much we are going to get for it, and that there be the widest kind of public appreciation.

ASSEMBLYMAN STEWART: Thank you very much, Commissioner.

COMMISSIONER BARDIN: Thank you, Mr. Chairman.

With your permission, Mr. Chairman, there are other obligations I have outside and I would like to be excused. Deputy Commissioner Barbar will be here virtually throughout your session and if there are any further questions to my Department we certainly would be happy to provide those answers promptly to you for your consideration of this important measure. Secretary Alampi is an excellent spokesman for both of us in this regard.

ASSEMBLYMAN STEWART: Our next speaker will be Mr. Philip Alampi, Secretary of the Department of Agriculture.

PHILIP ALAMP I: Thank you very much, Mr. Chairman, members of the Committee. I want to thank you for the opportunity to present a statement on A-1334 and to follow the very distinguished Commissioner of Environmental Protection, the Honorable David Bardin, a very fine co-worker in this area.

The need for preserving farmland and open space in the Garden State is clearly evident. With the highest population density in the United States, pressures for development are intense, especially upon the farmlands that make up 22% of the State's land area. As a result, about six hundred thousand acres of farmland have been permanently converted to other uses since 1960.

The strange dichotomy in New Jersey is, here we are the most urbanized State in the nation and, yet, 22% of our land is agriculture, 42% is woodland. That means that nearly two-thirds of our State is still agriculture and woodland.

The people of the Garden State have recognized the need for preserving open space. They have shown their willingness to pay for their concern by approving six different bond issues aimed at this objective - the Water Bond Act of 1958, the Water Conservation Bond Fund of 1969, the 1964 Farmland Assessment Act, the Green Acres Bond Issue of 1961 for \$60 million, the Green Acres Bond Issue of 1971 for \$80 million, the Green Acres Bond Issue of 1975 for \$200 million.

In response to the need for a method of preserving farmlands, the Blueprint Commission on the Future of New Jersey Agriculture recommended in 1973 that an agricultural preserve be established. The preserve was to be created by the State purchase of development easements on one million acres of farmland. Municipalities were to mandatorily select those parcels of land that they wanted to preserve. A new four mill real estate transfer tax was to pay for the cost of acquiring the easements.

The Blueprint Commission's recommendations set off an extensive investigation of the economics and the other aspects of the agricultural preserve. Here is what we found: First, the development easement concept appears to be a sound, practical means of preserving farmland. For example, we estimate that development easements in the demonstration project area can be acquired for considerably less than what it would cost to buy the land in fee simple, as is the normal Green Acres practice. Furthermore, easement purchases do not affect municipal ratables and the State does not become a landlord. The land, itself, remains in private hands and they continue to pay taxes to the municipality.

Second, the four mill real estate transfer tax method of funding the acquisition of easements is no longer available since a new two and one-half mill tax to balance the budget was enacted in 1975.

Third, the Blueprint program to preserve one million acres cannot now be implemented because of the current fiscal crisis.

Four, we think that a voluntary program is appropriate to a test of the development easement concept. The original Blueprint recommendations involved a mandatory program but we feel that a voluntary arrangement is more practical at this time since this is a demonstration project.

To sum up, we have learned from our investigations that the acquisition of development easements is a practical and relatively cheap way to keep farmlands in farming. We have also learned that the selection of an area to put the concept into operation must involve costs that are reasonable and within the State's resources.

In April 1975, the Governor's Commission to Evaluate the Capital Needs of New Jersey - referred to as the McNaughton Commission - recommended that a demonstration project be undertaken to test the concept of preserving farmlands through the State purchase of development easements. At this point, we turned our attention to an examination of the demonstration project idea, as well as the selection of an appropriate area for the test.

We concluded that a demonstration project was a sensible approach that should be undertaken at an early date. The entire State was then examined and we accumulated facts and figures on 12 potential areas for the demonstration. These were looked at individually and a final decision was taken to proceed in the four Burlington County Townships of Lumberton, Medford, Pemberton and Southampton. This decision was made after several meetings with the Department of Environmental Protection, whose Green Acres Program appears to be an ideal funding mechanism for this project.

The four townships selected were chosen because of, one, the ample amount of farmland within their borders, two, the urban-rural mixture which makes the townships reasonably representative of areas under increasing pressures for development, three, estimated easement values are within a range that fit our resources.

It is important to recognize that the \$5 million requested in A-1334 for program funding may or may not be actually spent. As John Van Zandt will show you in a few minutes, there are important unresolved questions that can only be answered by actually conducting a demonstration project. If, for example, easements for only a few acres are offered to us, we would terminate the project without using any of the \$5 million. On the other hand, a good response from landowners whose offering prices would come reasonably close to the appraised values, could consume the entire \$5 million.

For details of the Demonstration Project, I shall turn this portion of the meeting over to John Van Zandt, our Coordinator of Rural Resource Services and following his presentation, I shall be glad to answer any of your questions. Mr. Van Zandt. J O H N V A N Z A N D T: Thank you, Mr. Secretary, gentlemen. I am going to briefly review the concept of the easement. The development easement we are talking about, of course, is part of the bundle, along with the price of the property. If the property has a market value of \$1,000 per acre - and please understand that I am talking about an example here because \$1,000 is easier for me and others to understand -- If the farm value were \$4,000, we are interested in purchasing the easement value. We would then be purchasing this portion of the rights in the property.

As the Commissioner and the Secretary indicated, the area that we are talking about - the four township area in Burlington County - was selected out of a possible twelve different areas in the State because it had some very unique characteristics that we felt were necessary and helpful to a demonstration project of this kind. There are 41,500 acres of farmland in this area - in these four townships - and it does have a fixed land use pattern which gives us the kind of development pressures we were

looking for in order to determine if this easement concept is viable. Of course, the project is visible to the public, it is not in a rural area. It is in an area where people will see it and understand what we are doing.

The operating responsibility of this project will be under the Department of Agriculture, of course with the full knowledge and support of the Department of Environmental Protection.

I want to briefly run through the procedures that we have developed to this point. We have already, at this time, sent letters to the owners of the farmland in this area so that they have an idea of what this project is and so they didn't get only the word they did get from the press. We gave it, by letter, directly to them.

From this point on, if this bill is passed and the appropriation is made available, we would then begin an information program to the people in the area - both the farmland owner as well as the other citizens in the area to be tested - in terms of what we planned to do and, in as much detail as we can, the method in which we plan to do it.

This program would be set up with the Cooperative Extension Service and any other public agency that would be interested in publicizing the program. Some time in the future-- We gave our brochure to you. We had some dates in mind. They may have to be altered in terms of the timetable now, but we had hoped that by May the 1st we could ask the farmland owners in the area to submit offers on those easements they wanted to tender to the State. In doing that, we would certainly ask the farmland owners to get professional help so they can come up with a reasonable value of their easements. We are not trying to get somebody to come up with an off-the-cuff figure that might not be reasonable. We want them to understand what the values are and to get that kind of help before they get an offer.

I want to impress upon everyone here that this is a voluntary program, this is not mandated. It is entirely at the option of these people who own land, as to whether or not they want to tender the easements. We also want it understood that these are non-binding offers at this time. If a person is given an offer for an easement and has second thoughts later, before he actually signed up to sell these easements, of course he can back out. At the same time the State would not be subject to buying this offer just because it was offered.

As the Commissioner said, and as the Secretary discussed, if we can get contiguous land masses of this size we probably would not want to proceed in the isolated, fragmented areas.

These offers, of course, then would be received by the agency and reviewed for reasonableness. In the process before we review these, we will have had a few test appraisals made in the area. Part of the money the Commissioner was talking about - administrative money - would be used for that. This would help us to determine whether or not these offers were even in the ball park.

After that, if they were reasonable, and if they are located in a reasonably contiguous area, we would then go ahead with the appraisals made by the State. We would have appraisals made by independents - certified appraisers. They would not be done by State employees. It is an entirely independent operation to get absolutely clear and unbiased appraisals. We would appraise both the market and the farm value of this property. We must know the difference between the farm value and the market value of this land. We will compare the offers and the appraisals to see if they are in the same ball park. If they are, then we would proceed to make an offer to purchase these easements from the land owner.

The Deed Covenant would be the means by which we would restrict development

We would not permit development or construction except for farm purposes.

There is a timetable in our mind for the first phase of this. As the Commissioner said, we will not be buying these for some time. We will go through these four phases and at the end of each one of these phases we will review our operation to date to see whether we were in the ball park in terms of our overall plans. It is not likely that we would actually decide on purchases for about 12 months from the time we initiate the program.

This is a chart that we have to show some advantages for going into this program - capital expansion, market for right, and a very important one in our mind is the lessening the impact of State taxes on the farmland owner. Thank you very much.

MR. ALAMPI: Thank you, Mr. Van Zandt. Mr. Chairman, I would be glad to try and answer any of your questions.

ASSEMBLYMAN STEWART: I was going to ask Mr. Bardin this question, but you may have the answer to it. We talked about the Watch Dog Committee. Will this particular bill eventually - before it is funded - have to be approved by the Watch Dog Committee? I assume it will, since it is a bond issue fund.

MR. ALAMPI: We will do whatever the Legislature feels appropriate. It is my understanding that the Commissioner, on the present project, reports every four months to the Committee. We would be delighted to agree to any stipulations that you may so desire.

ASSEMBLYMAN STEWART: We are assuming we are going to hear a lot of difference of opinion here this morning, but manytimes we assume that and we don't hear some of the questions we would like to hear. You have traveled across the State, I know, for at least three years now on this Blueprint Proposal. I know this is a papered-down version of it, but what are some of the objections that you have heard from the farm community and how do you handle some of those suggestions? How do you answer them? What are some of the key problems that you have run up against?

MR. ALAMPI: Mr. Chairman, the Blue Print Commission on the Future of New Jersey Agriculture, issued its report in April of 1973 - a thirteen point program. You are quite right, I have traveled up and down the State and we find that the general public, on three surveys, has shown favorable consideration of the Blue Print recommendations. One was at the Flemington Fair, which was rural. One was the Flower and Garden Show in Morristown, which is urban. And one was the Eagleton Foundation. All three showed that the people want the program and are willing to pay for it.

The farm community is split on it because the best crop the farmer has is called real estate and he doesn't want anyone-- He says, "That is my insurance policy; that is my social security; that is my pension and I want to farm it as long as I want to and then I want to sell it." Unfortunately, I don't think we can have it both ways and try to save one million acres of prime farmland in the Garden State. So, therefore, to ameliorate that we suggested, in the Blue Print Recommendations, a four mill real estate transfer tax to pay for it and to pay the farmer for the development easement so that land could not be developed. It would be kept for agriculture. It will be privately owned, paid by the taxpayers. Taxes will be paid to the municipality and the State will only own the development easement, which means not to develop it.

So, I would say in summary, Mr. Chairman, that there are some farmers opposed to it. A lot of farmers are in favor of it. Your hearing today is to see whether or not they would go for the demonstration project.

ASSEMBLYMAN STEWART: Are there any other questions?

ASSEMBLYMAN KOZLOSKI: Yes. You chose Burlington County. Now, that is a very small area out of the entire farming community of New Jersey. Why didn't you consider taking, possibly, an area there if you'd like and then possibly a smaller area in, say, Monmouth or Ocean or some other community?

One of the questions I get is, why did you zero in just there? When you tell me now that letters have been sent out to these people - that's going to be my second question - what have the responses been from the farmers in that area?

And, thirdly, suppose the response from the farmers in that area is not that positive - do you have a secondary, or backup, area to be considered for this pilot project?

MR. ALAMPI: First, Mr. Kozloski, the study of the two Departments included twelve different sections and, frankly, for a \$5 million appropriation we couldn't possibly begin to have a demonstration project in some of the areas - for example, in your own home town. That would probably cost \$35 or \$40 million to have a demonstration project. The land value there would be considerably higher than it is in Burlington County. So, therefore, we picked an area which had all three areas - rural, in-between, and that close to the urban pressures. That is why these four townships in Burlington County were picked.

Number 2, frankly, we would like to do the whole one million acres at one time - there is no question about it. As Chairman of the Blue Print Commission, I would love to see it but we have to be practical. A big bond issue at that time would have been \$1.2 billion for a million acres in 1973 and big bond issues in New Jersey are negative. So, therefore, practically, we couldn't go that route. We did go the real estate transfer tax route and that was usurped by the Legislature to balance the budget, so, therefore, we lost that.

Now, we feel if we do the demonstration project and find out how it is done - because no one else has done this - we could iron out the wrinkles before we go for the major program.

As far as how it would be done, we have already had several meetings - and some of your very able legislators were at the meeting to talk with farm people, with planning people, with mayors, with the township committee and others - to work on the project at the local level. We believe the local input is more important than State dominated input. As recently as last Thursday night we had a meeting down in the Burlington County library and we had a very fine meeting at the local level to try to iron out some of these problems.

The third question you asked--

ASSEMBLYMAN KOZLOSKI: Is there a backup? Philip, can I assume that at this point the farmers are receptive and positive toward this?

MR. ALAMPI: My estimation would be that we are going to have more bids than we can handle - or that the money will provide for. That is my own personal opinion. However, if we do not, that is the advantage of a demonstration project. If the pitfalls are great or the problems are many, then that way you solve them through a demonstration project. At that point we would then assess our position accordingly before any other money is spent.

ASSEMBLYMAN STEWART: Assemblyman Barry, do you have any questions?

ASSEMBLYMAN BARRY: No, my question was answered. I was interested in the possibility of cooperation and participation in the experimental program but you feel we shouldn't have any problem?

MR. ALAMPI: I don't think so. As a matter of fact, plans are to have a committee made up at the county level consisting of a Freeholder, appointed by the Board, a county official and also all the legislators in the area will be serving

ex officio on the committee. We also will have, from the four townships, two members from the Township Committee and we will have a planning official and, perhaps, a fourth person. We think there will be about 18 or 19 people from the local level standpoint. So, their input at all times - setting up the guidelines, setting up the procedures - will be very meaningful at the municipal level. We think we are taking all the precaution we need to take in order to assure that input from the local level.

ASSEMBLYMAN STEWART: For the record, I would like to indicate that Assemblyman Baer is present now. Byron, do you have any questions?

ASSEMBLYMAN BAER: Yes, I have a few questions. I am sorry I missed some of the earlier testimony. I am not certain whether some of these questions would be appropriate to pose to you or to Commissioner Bardin, or some of the experts who are also on hand, but let me try.

First of all, suppose the selection of these particular areas, where there has been mention made of development pressures-- Has there been any planning study conducted that resulted in this choice - or any analysis of statistics - and, if so, I would like to have that made available.

MR. ALAMPI: Our consultant, Charles Lambert of Princeton, did computerize all four of the municipalities and all of the figures are available. I will be glad to show them to you and the other members of the committee - the number of farms, the number of parcels, the number of acres, and all those details that I know are of concern to you.

ASSEMBLYMAN BAER: Well, that would be interesting but what I am asking about is a study that resulted in the choice of these areas. In other words, a study that would presumably cover a large portion of the very actively agriculturally developed and operated areas in the State, one that has analyzed development pressures in those areas, based on recent development in the past few years, or decade, breaking that down into the types of development, analyzing acreage loss and other factors that involve things like that.

I imagine many different criteria could go into a study for determining the most appropriate area to begin with. But I would assume that this was chosen on a rational basis and on the basis of a study that contrasted this area with other areas and, in fact, just analyzed quite a large area to begin with before this area was even zeroed in on for further more detailed analysis and that is the kind of thing that I would like to see. Otherwise I would have, to begin with, serious questions as to whether it is rational or proper - assuming that other things in the act make sense - that this area be chosen. Could you try to enlighten me on that, sir?

MR. ALAMPI: A very intelligent question. Our staff and the Department of Environmental Protection staff has worked for months in this very area, in going over the 12 possible sites, in consultation with our consultant, Mr. Lambert. After this was all computerized, very frankly, they arrived at the choice of these four townships, based on, I think, a rational approach - on the acres, the development pressures, the on-going prices in the area, working with the tax assessors. I think that is how it was arrived at. For further, specific, detail, I would, possibly, call Mr. Lambert to the microphone, at your convenience, to go into the details on how that was done.

I am satisfied and so is Commissioner Bardin that our staff work with the consultant did provide this background before we made our choice.

ASSEMBLYMAN BAER: Well, I'd like to be satisfied too and so what I am asking for, and what I assume is in existence, is something intermediate between a verbal explanation and a stack of computer printouts a foot high, which I would assume would be an analytical report of a few dozen pages that makes reference to the computer data. Obviously, a stack of computer data by itself would be unintelligible to me.

But, on the other hand, I would want something more solid than just an oral representation. I think you can see that. Is any such thing in existence?

MR. ALAMPI: May I defer to Mr. Lambert, Mr. Chairman, for a few seconds?

MR. LAMBERT: To answer your very good question, we can give you copies of the original proposal that were submitted to the Department of Environmental Protection. That is about a 100 page recommendation which involves the analysis of the characteristics of 12 different test areas - pilot areas.

Approximately two months after that date - which was last August - we submitted another report. We can also provide you with a copy of this report, which was much briefer. In this we zeroed in on this area that we are discussing today.

ASSEMBLYMAN STEWART: I think that is what Byron wants, copies of both those reports. I think that would be helpful to all of the committee.

ASSEMBLYMAN BAER: Yes. I think that will answer question, pending our study of that.

ASSEMBLYMAN STEWART: Excuse me, for the record, sir, would you identify yourself?

MR. LAMBERT: Yes. My name is Charles Lambert, Consultant, Princeton, New Jersey.

ASSEMBLYMAN BAER: I would like to inquire, by the way, in terms of the area that has been chosen and in terms of-- Well, first of all, in terms of the area that has been chosen, has there been any multi-family development in these four towns? If so, can you tell me anything - or can any of the people with you tell me anything about whether that has been a recent development or whether it is non-existent, or it is something that has been there for a long time but been unchanged?

MR. ALAMPI: I don't know whether the staff can or not. I can't answer that.

MR. LAMBERT: Yes, there has been multi-family development, especially in Medford Township and there may have been others as well. However, we looked primarily at the amount of farmland that was available in the areas we were looking at. The part having to do with possible conflict of an agricultural preserve with the master plans of the four townships is being given very serious consideration and this will be one of the duties of the Steering Committee that the Secretary mentioned, who will be charged with the responsibility for advising us of any conflict that may arise between parcels selected for acquisition - the easements thereof - and the master plan.

ASSEMBLYMAN BAER: Let me ask, by the way - maybe this is kind of leaping ahead-- The Legislature has had before us legislation on the transfer of development rights. I believe that this did not go the whole route last time. I assume it will be before the Legislature again, having already been pre-filed. If that were passed - if anybody here can answer - what position would that put the State in, insofar as being the holder of those development rights and insofar as whatever rights the State may have to exercise those development rights on other land? I am quite confused about that and its relationship to local zoning and things of that sort.

MR. ALAMPI: Mr. Baer, I can answer that. The T.D.R., which we think is a good planning tool to preserve some open space for recreation and things like that - historical sites - but it does not preserve farmland. As a matter of fact, the author of that has admitted it will not preserve farmland. In the T.D. R. concept what happens is, the people who want to build around a particular open area, whether it be apartments or condominiums, or multi-family units, would buy development rights in that open space. Therefore, those people pay for the preservation of open space that surrounds that.

The Blueprint Commission envisioned a Statewide program where all of the citizens participate, just as you do with Green Acres, where the people in Bergen

County pay the interest on the bond issue for all the Green Acres in the State, even though they may not have a lot of Green Acres in their own back yard, so to speak.

Therefore, we think the preservation of farmland is a Statewide project and not just for a particular municipality to preserve that open space. For example, you are right, the T.D.R. bill passed the Assembly but it did not pass the Senate. I understand it is going to be reintroduced. We have no objection to the T.D.R. as a planning tool for preserving particular areas of small open space but not for the preservation of farmland. We think the preservation of farmland ought to be a large enough, contiguous land area to make it meaningful. We can't have sporadic farms, as Commissioner Bardin said earlier, to have a meaningful preserve.

ASSEMBLYMAN BAER: I understand that. That wasn't exactly the thrust of my question, through. What was confusing me was, if we have that passed, I recognize that - as you described - farmland would remain undeveloped, except for agricultural purposes, and that under T.D.R. it would allow higher density development, perhaps, in the periphery. The question that comes to my mind is, what problems might exist as a result of the combination of the T.D.R. and this proposed act? Which would have greater impact, and perhaps conflict, with local zoning, the transfer of T.D.R. by itself or this by itself?

MR. ALAMPI: Well, in the original Blueprint recommendation - and we still believe that the local municipality has the final decision as to what to put into agriculture and what to put into other areas - we don't see T.D.R. in conflict with the Blueprint recommendations or the preservation of farmland. It has its place, in my estimation, in smaller areas, for small recreational areas of that type, but not in the massive, large farm areas which we need to preserve agriculture in this State. So, I don't see a conflict. I think each has their own place. I think both can be--

ASSEMBLYMAN BAER: So, what you are saying is, you envision T.D.R. - as you would prefer it - not being applicable to the development rights that the State would acquire here?

MR. ALAMPI: As farmland.

ASSEMBLYMAN BAER: That's right, the development rights to whatever farmland would be acquired here.

MR. ALAMPI: We think all the citizens of the State ought to share in maintaining open farmland - taxpaying, privately-owned farmland.

ASSEMBLYMAN BAER: One of the things that concerns me is that the criteria for picking particular land is apparently left completely to regulation, without - as I understand it - too much indication, at this stage, as to what the regulation might contain. What I am getting at is-- Let me put the question this way: Do you think it would be desirable to have legislation that would mandate that a number of things be taken into account as criteria in selecting an area - for instance, the suitability of the land from the point of view of sewerage; for instance, the suitability of the land in relation to roads and traffic carriers and the various factors which, in fact, do influence the particular marketability and desirability of land for development?

I assume that nobody here would want to see a farmer sell development rights on some of the land that a farmer has, that has the absolute least potential for development. It would really be very undesirable but would represent a bonanza for the farmer while the farmer might retain and not sell development rights to, perhaps, other land that is choicer. Or, the same parallel can be drawn between different farmers. It would seem to me, given the considerable distrust with which the public regards all public actions today, we would want to examine, very carefully, what

guarantees and protections are in here, not only to insure that the programs work properly but to insure that whatever programs we might adopt might have sufficient public confidence to make it feasible to adopt.

MR. ALAMPI: We couldn't agree with you more. That is exactly why we are setting up this 19 person local committee of the four townships in the county and all the legislators in that area are ex officio members of that. We are now developing, with the local people, the guidelines and all the precaution that needs to be taken to avoid exactly what might happen. We couldn't agree with you more. You are absolutely right.

ASSEMBLYMAN BAER: Let me ask you this: Do you think it is possible that the public might feel, and have you ever found in your experience sometime-- And I say this without regard to any particular area and I would say this regardless of what area had been chosen. But, sometimes, legislators are put under pressure of a political nature to assist an application that, perhaps, has more clout behind it, rather than one that has the most merit and sometimes groups from localities are subject to a kind of in-group pressure. I wonder whether you feel that there is any danger of this and I wonder whether you feel that the public might have severe reservations about leaving that all to the local group, as opposed to having firm standards in the act which would allow people to function bound by such standards and guidelines?

MR. ALAMPI: Well, that is exactly what we are trying to do and that is why we are having a demonstration project before we embark on the one million acre program. That is exactly what we are trying to ascertain and, hopefully, when we have finished this, Assemblyman Baer, they will have that confidence in the program - the local people, the county people and the State people.

I would hope we would do exactly what you are suggesting, that is why we have a demonstration project, to try and iron out these wrinkles so we have that confidence of the public in this type of program.

ASSEMBLYMAN BAER: Well, I realize it is a demonstration, or pilot program, but don't you feel that since \$5 million is involved the public might want to see those standards in the legislation itself so that this thing wouldn't be just viewed as an experiment and "we will see where we are from there", and also have as much insurance in the protection of the spending of this money as possible?

MR. ALAMPI: Well, if it would take legislation to do it, I wouldn't object to it, except that, frankly, if we are going to develop guidelines for these local and county and State people, it seems to me that that is why we have the project - to do this and to try it out. If it takes that kind of guideline - to put it in regulation form - to insure the complete trust of the public, we would move in that direction. But I think during the demonstration project, while we are searching for guidelines and while we are searching for answers on these things, which we don't know now - no one else has done this - it is very difficult. If it would take that kind of protection later on, I would be glad to consider that, but not as a delaying tactic so we don't get the demonstration project on the road and try it out.

ASSEMBLYMAN BAER: Well, I have a couple of more questions. Forgive me, Mr. Chairman, for taking so much time on these things but I think they are of some importance.

Let me just say to you, Mr. Alampi, that I do certainly recognize the value of the input of local people. Sometimes they can come up with ideas that we might not have, and maybe that input can be of value in terms of developing such standards. But I think there is a real issue here as to whether that input should be prior to the development of legislative standards and whether such input would be very helpful to

us in the Legislature for developing such standards, as opposed to just turning the thing over to the locality to do as they see fit. But I am certainly not opposed to the idea of local input and I realize its value.

MR. ALAMPI: We met last Thursday. We are meeting again on March 11th. So, we are doing exactly what you are suggesting.

ASSEMBLYMAN BAER: Let me ask another question. The argument could be raised-- I am not prepared to raise this as an assertion but I just want to throw it out at this point. If you have certain development pressures - and I think planners can express development pressure in terms of units per year in a region or an area containing a certain market and an economic feasibility to develop - the argument could be raised that if you prevent development on acreage with this, the development will proceed nonetheless just across the road on the farm you didn't acquire and, in essence, those development pressures are inexorable unless you are making a commitment to a monumental sized program of enormous price that locks up all the land.

Now, if that is the case - and I will be interested in your comment on it - how are we actually preventing the development of farmland, as opposed to just slightly affecting the location of development and providing some additional money in the pockets of some farmers?

MR. ALAMPI: The Blueprint Commission recommended we set aside one million acres of prime farmland for that purpose. The local municipality would set aside 70% of its prime farmland. They would make that decision. That means they can develop 30% of the prime farmland and all of that land which is not considered prime farmland. We felt that that would be a fair way to give a municipality a balance to have some development on the prime farmland, and also that which is not prime. Therefore, the local people make the decision as to which of this land would be set aside for an agricultural preserve.

We can tell them which of the farmlands are class one, two, etc., by our studies. As State Chairman of the Soil Conservation Committee, I want you to know that 86% of the State has already been classified and that material is available for planners, for health officials, sewerage people, etc., to know what the classification of that land is. So, we know where that land is now - the prime land. Fourteen percent of the State is still to be mapped and, given proper funding, we will finish the job soon.

In my estimation, that decision to preserve the million acres has to rest with the local municipal officials. We are not going to tell them which of that land they ought to set aside for the agricultural preserve. They make that decision. So, we think we are protecting the municipalities in doing that.

I think it is for the general public to decide if they want this open space. I call it privately-owned, taxpaying open space, which produces food for our consumers. When you realize that 88% of the fresh vegetables and processed vegetables in this State, for our consumers, is produced on our farms - 88% of processed vegetables - and when you consider that 35% of the eggs in this State and about 30% of the milk and 20% of the fruits and 3% of the meat all come from our farms and when you consider that agriculture and the food industry in this State amounts to \$3 billion, which is one of the largest segments of our economy, in my estimation it is essential that we try to preserve that type of an economy, together with the open space provision - that is why Commissioner Bardin stressed the conservation part of it - here in the Garden State.

I think, done at the local level, with local municipal rule, we could achieve this.

ASSEMBLYMAN STEWART: Excuse me, just one moment. I have just been informed

that we have a slight time problem with the minority party. With your permission, and with Assemblyman Baer's permission, it is obvious that there are many, many questions that we could be asking you, but we also have many local officials and county officials here who we do not have access to all the time. With Assemblyman Baer's permission, and with your permission, I would like to suggest that we have you back at one of our committee meetings to go further into some of the problems we have with you.

MR. ALAMPI: I'd be delighted.

ASSEMBLYMAN STEWART: If that is okay with Assemblyman Baer, I would like to get on to some of the local people before the minority party has to leave - and they have to leave in about 40 minutes. Do you have any objections to that, Byron?

ASSEMBLYMAN BAER: Well, I would like to - I will be glad to yield at this point - have an opportunity, sometime in the future, to continue, on the record, with some of these questions. I think some of them are significant and it is desirable to get answers. But I would be glad to yield at this time for as long as you want for other persons--

ASSEMBLYMAN STEWART: Yes. My only point is, we can have the Secretary back but some of these local people, I don't think we are ever going to have another chance to hear from them again, or we can't expect them to come up here again. I would like to give the minority party members at least a chance to hear a couple of them before they have to leave. We could keep Secretary Alampi here, I am sure for--

MR. ALAMPI: I would be glad to come back any time.

ASSEMBLYMAN BAER: Well, will he be coming back, on the record?

ASSEMBLYMAN STEWART: I was just going to ask our staff. Is there any problem, if we do not get back to him today, with adding any other testimony we have from him to the record at a later date?

MR. CATANIA: Normally the record is kept open for a week or two after a hearing is held, so there will be no problem.

ASSEMBLYMAN STEWART: So, we can insert any further testimony or questions of the Secretary at that time, is that right? Will that satisfy you?

ASSEMBLYMAN BAER: Yes, that will be all right.

MR. ALAMPI: I will be glad to appear in person or have a staff member work with you, or anything.

ASSEMBLYMAN STEWART: What are your time limits this afternoon?

MR. ALAMPI: I was supposed to be in Washington yesterday. The National Association on State Departments of Agriculture is having a meeting and I am going to catch a plane after lunch to be in Washington for a committee meeting.

ASSEMBLYMAN STEWART: Thank you very much.

I would now like to call Henry Metzger.

H E N R Y M E T Z G E R: I am Henry W. Metzger from Burlington County - a Freeholder. I also have with me Mr. Bernard Cedar, a member of the County Planning Board.

The Burlington County staff of the Planning Board highly endorses Assembly Bill 1334. The Freeholders endorse the concept of appropriating \$5 million for the demonstration project for the purchase of development rights in order to preserve farmland in New Jersey.

We are pleased that the New Jersey Department of Agriculture has chosen Lumberton, Medford, Southampton and Pemberton Townships, all in Burlington County. We feel that this concept, when proven through this test, will be a viable one which then can be used on a statewide basis.

The idea of saving one million acres of fine farmland in the most densely populated state in the nation is certainly a commendable one. This concept proves once

again that New Jersey continues to be a leader in attempting to keep farming a viable part of its economy. It first provided for farmland assessment at a time when real estate tax levels were helping to drive the farmer out. While that technique stemmed the rate of farmland depletion, it will take a proposal, such as development rights, to purchase and save the better farmlands in the State. It will not only serve to preserve the land as open space and to encourage continued farming in this State but it can also be a tool in channeling development in a more rational way than the present helter-skelter pattern that we now find. The benefit secured should not only fall to the farmer but also to those people who will continue employment in those areas and those businesses which serve the farmers and which need farm products to continue their operations.

Besides the purchase of development rights we also commend to this committee the concept of other techniques such as, transfer of development rights should also be tested. We hope that this bond issue will prove to be just the first in a continuing attempt to serve farming in New Jersey.

It was mentioned by Mr. Alampi that they would deal primarily with prime acreage. This is, of course, our concern in Burlington County, that prime acreage is asked to be a part of the program.

I can't speak entirely for all of the Freeholders. There have been a number of meetings, Mr. Chairman, in Burlington County, regarding the program. A number of Freeholders have been in attendance. We generally support the concept. However, one of our concerns lies in the fact that we would like to see general support from all the municipalities who have been named to share in the program. Judging from the comments that we have received at the meetings, this seems to be very favorable.

The other concern that I would like to voice is how this will affect Green Acre money for other county projects that would be in the realm of recreation. Will municipalities in Burlington County, other than those that are being considered for this program be jeopardized? Will they be cut back in any funds at all if they wish to be given money from the Green Acre appropriation? Now that we are talking about \$5 million for Burlington County, I want to be sure that other municipalities in Burlington County are going to get their allotment, if they so desire and if they are interested in obtaining Green Acre money.

That pretty much sums up our feelings in Burlington County. However, I know that Mr. Bernie Cedar, the Director of the County Planning Board, would like to make additional comments and I would like to turn the mike over to Mr. Cedar, if that is possible, Mr. Chairman.

ASSEMBLYMAN STEWART: Yes, for a few moments.

B E R N A R D C E D A R: Mr. Chairman, I just wanted to say that we have been involved, on a periphery, with development rights issues for a number of years prior to the Blueprint Commission report, in relation to transfer of development rights and the Blueprint Commission report itself, and I think from a staff position - as Freeholder Metzger indicated - we heartily endorse the concept.

I would like to answer one thing that Senator Baer brought up.

ASSEMBLYMAN BAER: Thank you. I am an Assemblyman.

MR. CEDAR: Pardon me - Assemblyman Baer brought up, and that was the question of development patterns presently, and the pressures in the four municipalities that were picked. I haven't got the facts and figures right now but, generally, from the information that we have, there has been extensive development pressure in the four municipalities.

All the municipalities still have extensive open lands, but the pressures are certainly there. I am sure that you are familiar with the fact that Medford

Township was the one that initiated an environmental study some years ago, at an extensive cost - \$150 thousand for a township that, at that time, had a population of less than 10,000. A good deal of that township has been evaluated, from an environmental standpoint and the town is not opposed to development; it wants to see development channeled into the proper areas.

In Lumberton, they are just finishing up revision to their master plan. They have input to that plan - at least the consultants have provided input to that plan - a form of transfer of development rights.

Pemberton Township has had extensive development pressures. Considering the fact that we are in the throes of a depression, in terms of construction as well as other things in the State, the pressures still were there. They too are concerned as to how that township is developing and how they can preserve and maintain farming as a viable economic product in their community.

Southampton has one of the largest retirement communities in the State being developed. There are five thousand dwelling units in Leisure Village. And besides that, again, the pressures are there. Maybe they are not quite as extensive as the other three communities, but they are there.

You questioned multi-family housing. In all of these communities, except Southampton - I guess you can say retirement is sort of a multi-family development - there has been, to a lesser or a greater extent, large multi-family garden-type apartment developments taking place, as well as town houses, condominiums, etc. The pressures are there. The question is, can we alleviate these pressures, or stem these pressures, and maintain the farmland? I think all of us at the county level - those that I have talked to and discussed the problem with - feel that it is well worth maintaining the farmland, not only from an economic standpoint but from the standpoint of directing development and from the standpoint of keeping a large portion of New Jersey open. It is more than just an economic factor. I can think of some environmental and aesthetic factors as well, which all of us must recognize.

I think that the idea of starting a demonstration project is a good one. Hopefully, if the project does well, we can get off the ground and really do a job in saving the million acres that are still available.

ASSEMBLYMAN STEWART: Are there any questions?

ASSEMBLYMAN KOZLOSKI: Yes, I have one question. I don't know to phrase it but something keeps going through my mind concerning this whole project, particularly because of the - and I don't know if this is germane - Mount Laurel decision. You are talking about setting up a county master plan. Do you view this project for the preservation of farmland in your county as a way then to be ahead of the other counties, by setting aside farmland thereby being ahead of the other counties in drawing up a master plan on zoning?

MR. CEDAR: I am glad you brought that up, Assemblyman. We are just completing a countywide allocation plan. We put into that plan the concept of preserving farmland by saying that any community having greater than one hundred acres of available farmland, we would try to save 70% of that land as farmland.

Even with that input, there is still enough land available to take care of the regional housing needs that have been expressed to us by the Delaware Valley Regional Planning Commission - even with that. We are doing all of these things. Even with keeping densities relatively low, we still have enough land available in Burlington County to take care of the expected housing needed by the year 2,000.

So, I don't think we could look at this concept of saving farmland in Burlington County, or in New Jersey for that matter, as a means of protecting ourselves

from the influx, or as a means of keeping out low and moderate income people. On the contrary, I think it could work hand and glove. One could work hand and glove with the other.

ASSEMBLYMAN STEWART: Are there any further questions? Assemblyman Baer.

ASSEMBLYMAN BAER: Yes. On this projection, would you be able to provide us with data?

MR. CEDAR: As far as the housing allocation plan, do you mean?

ASSEMBLYMAN BAER: Yes. One that would indicate both what the regional projections are, I guess from-- What would it be, the Delaware Regional? Whatever the regional projects are. Also, we would like to statistics on which you base the ability to meet that.

Also, could you break that down, not only into land but land that is zoned appropriately to meet that need?

MR. CEDAR: I don't think I can do it on the basis of the zoning.

ASSEMBLYMAN BAER: Oh, I see.

MR. CEDAR: But I can certainly do it on the basis of what we had anticipated to be land availability. I will be very blunt with you. Zoning is a tool which can be changed and I think zoning changes with the pressures. You are familiar with that, you come from a highly dense area in Bergen County and you know fully well that when the pressures arise, the zoning seems to change. Now, I am not saying that that is not necessary but zoning is, at least from a professional standpoint, not a tool where you end up with a fixed situation regarding land. It is something that has to be reviewed as time goes on and as situations change and as pressures change. So, I don't think zoning is necessarily the immediate aspect of this thing, or even the long-range-- It might be the immediate aspect but from the long-range standpoint, we don't think that zoning is necessarily the holding situation.

ASSEMBLYMAN BAER: As I understand--

MR. CEDAR: If I may complete-- We do have enough available land and we have input on an overall density factor, based upon various zones, various areas in the county, and the type of areas that they are. We are doing all of this work. We find that we still have sufficient land, at reasonable density, to serve the anticipated housing needs for the year 2,000.

ASSEMBLYMAN BAER: You said so much, I am not sure what you said. Let me ask if I understand what you are saying. Are you saying that although the zoning may not presently permit some of this development, that inasmuch as it is flexible and can be changed, you don't view that as a long-term limiting factor? Presently it is?

MR. CEDAR: It might be.

ASSEMBLYMAN BAER: Presently it might be. In the present situation, where the zoning is a limiting factor in being able to accommodate to regional growth pressures, would you say that the implementation of this program would be a further restriction to accommodating any of those needs?

MR. CEDAR: I question that. I don't think so. I think, for instance, in Medford and Lumberton-- In Lumberton they are in the process of changing their master plan and some of the ordinances that came out of that master plan. I think they have taken into consideration this aspect of regional housing needs, as they see it. I am not saying that their figures are going to be exactly like ours, but they have taken into consideration regional housing needs as well as the need to preserve farmland.

I think Medford has indicated in its attitude towards both the information and the studies that have come out of the McCard group, as well as implementing those studies

in a master plan and a zoning ordinance, that they too recognize the development pressures as well as the need to preserve farmland and other types of open space.

ASSEMBLYMAN BAER: Let me ask you one other question. A lot of the development pressure I am not intimately familiar with in that area. But a lot of development pressure - at least until some what we hope are rather transitory financing and economic situations disappear - has been in terms of multi-family housing. On the other hand, it often turns out that a lot of the farmland is gobbled up most by a single-family-spread development, in terms of acreage that is consumed. Do you see this program relating particularly, one way or the other, to those different types of useage?

MR. CEDAR: I don't know. I would say, again, going back to my original premise, I think that you are going to see situations evolving, based upon the pressures that are going to arise. I think that in terms of the present zoning attitude it is not necessarily going to be the one that is going to be the factor sometime in the future - even in the near future. That doesn't mean that everytime a developer comes in where it is zoned for one acre zoning and says, "I am going to build garden apartments" that he is going to get the zoning changed.

But I do think that we are going to see local planning attitudes change relative to the needs that are found both for preserving farmland and the development pressures.

ASSEMBLYMAN BAER: All right. There are a couple of other things that I want to ask you, very quickly. I notice from the question and answer sheet there is reference made to the farmers' ability to buy back the development easements in certain instances. I don't know what the precise circumstances would be, but if the owner is able to buy back the easements, how is this program - that is an effective program in preventing the development of land as opposed to being a program that essentially gives the farmer a mortgage on his land so he can get more capital until he is ready to sell it - going to work?

MR. CEDAR: I would rather have somebody from the Department of Agriculture answer that question because that is their question sheet. But, my understanding of that is, if the program wasn't successful - if they had gone ahead and bought some land already but the program was found not to be successful - that then that would go back to-- The farmer could buy back his development rights.

But my understanding of this is that in concept, once the development rights are bought by the State, they would retain them in perpetuity - they would be retained in perpetuity.

Again, I think I would have to defer, for further explanation on that, to Mr. Van Zandt or Mr. Lambert. They would be much better able to answer that question than I am.

ASSEMBLYMAN BAER: Do you think it is important that this land continue to be farmed?

MR. CEDAR: I think for the foreseeable future, as far as we can go, yes. Until we can come to some new kinds of agriculture, we need it.

ASSEMBLYMAN BAER: You know, when we go many decades down the line and have a different type of society, all kinds of things can be changed.

But inasmuch as you feel that that is the intent of this thing, do you think there should be guarantees attached to the program so that the land is, in fact, farmed? What if a farmer does this and then abandons the farming of the land? Should there be any protection against that?

MR. CEDAR: I don't know how we could get into that. Again, I am not that

much of an expert on agriculture and I would rather have those who are experts answer those questions. But I think - there is no question in my mind that, based upon our society now and the technology that we have, that farmlands should be preserved.

ASSEMBLYMAN BAER: One last question. Is there pressure for any industrial-commercial development in these areas too?

MR. CEDAR: Some.

ASSEMBLYMAN BAER: And is it conceivable that this program could be blocking commercial and industrial development, which also is an important factor in the State's economy?

MR. CEDAR: No, I question that. I don't think there is going to be - in this particular program - enough land bought up to really curtail the development in those four communities. When you talk about \$5 million, if we pick up 6,000 acres we are going to be picking up a lot.

But, as a test situation, I think it is well worth getting in to. It is well worth exploring. I don't think it is going to really curtail that much of the development pressure. I wish it could but I don't think it is going to.

ASSEMBLYMAN BAER: Would you be able to - along with the other written material you will submit - present the figures and data that would support that, in terms of the data that shows the development pressures and how this would not interfere with that.

MR. CEDAR: I will try.

ASSEMBLYMAN BAER: We would like this to show that there are alternative ways of those development pressures being fulfilled, apparently, without interfering with actively used agricultural land.

MR. CEDAR: We will try to.

ASSEMBLYMAN BAER: Thank you.

ASSEMBLYMAN STEWART: Thank you, gentlemen.

I would like to point out that Michael Catania from our Legislative staff is here and if you have materials, requested by the any of the members of the committee, we would appreciate it if you would sent it to Mr. Catania and he will then see that everybody on the committee gets a copy of it.

ASSEMBLYMAN BAER: Mr. Chairman, just as a matter of procedure, I wonder if I could ask, when witnesses come who do have prepared statements - and I think some of the witnesses here have them - would it be possible for them to give copies, in advance, to the committee staff, so that multiple copies can be provided if the witnesses do not already have multiple copies. We could then get them while the hearing is going on.

ASSEMBLYMAN STEWART: Fine. The two staff members will be sitting right here in the two front seats. Mr. Catania can help you with that. If you have a typewritten statement that we could read along with you while you are making your presentation, or review at a later date, after this hearing is over, what Byron is trying to say is bring it up here and we will photocopy it if you don't have copies of it.

I would like to now call on Mr. James Drews, State President of Future Farmers of America.

J A M E S D R E W S: I am James Drews. I represent the New Jersey Association of Future Farmers of America. We are students preparing for a career in agriculture. Our organization is tied, indirectly, with agricultural education in the high schools throughout the state and we do have a program in Burlington County at the present time, at the high schools.

As State President of the New Jersey Association of Future Farmers of

America, it is my privilege to express to you my views on the future of New Jersey agriculture. For many years the American farmer has carried a great load on his shoulders but he gets very little credit for his contribution to the development of this great nation.

On this, our nation's bicentennial year, we Americans should take a long, hard look at our oldest and largest industry, agriculture. While looking at agriculture it is impossible to overlook the American farmer. It is as a direct result of the efficiency of the American farmer that Americans are the best fed and the best clothed people in the world.

Because of the low price of food, Americans spend less of their family income on food than any other nation in the world. Since we spend so little on food, we have money left over for the second car, the color t. v., the ski trips and the air conditioners. But what do we in agriculture have to look forward to in this our nation's bicentennial year? Problems, big problems. The basis of many of agriculture's problems start from one thing - more and more people.

Food, the most obvious of people's need does not seem to cause concern for U. S. farmers. Two hundred years ago the average American farmer produced enough food to feed himself and three other people. Today, however, the average American farmer must produce enough food to feed himself and 53 other people. This fact, besides a growing amount of food exports, proves food production causes little concern but production costs are another story.

Before consumers complain about the price of food they should first consider the fact that farmers are consumers also. The fact is, farmers pay the same price for their food, their cars, and their trucks and the same price for their clothes, their gas, and their heating oil. But these costs are peanuts compared to a \$20 thousand tractor or a \$50 combine and the ever increasing cost of fertilizer, seed and chemicals.

Most Americans would be shocked to see the high cost of operation and the low percentage of return the American farmer receives for his investment. When someone asks, "Why are farmers complaining when the cost of food is increasing", our reply would be, "We wouldn't be complaining if we were receiving our share of that increase." Over 70% of last year's food price increase went to the middleman. On the average, only 40% out of every dollar spent for food ever reached the American farmer.

In 1975 insult was added to injury as higher production costs were accompanied by a 4% drop in the price the farmer received for his raw product.

While the price problems are felt by all farmers, increasing population has given New Jersey farmers a couple of big headaches - first, the ever decreasing amount of good farmland. Because of the financial squeeze and the problem of farming near growing communities, more farmers in our State elect to give up their land and the fact is that we may already be the ex-Garden State, for this small State that once fed two huge metropolitan areas now must import some 85% of its own food.

Although the land squeeze is a serious problem, even more serious is the fact that the farmers are losing their right to farm, their right to farm without unnecessary restrictions. People complain when a helicopter flies over their homes at 5:00 A.M., although this is the time that farmers find expensive pesticides work the best in their fields. People complain about dust and lime on their cars and windows, but the farmers have little control over the wind. People complain about machinery noise after dark, although we know that all farm operations cannot be limited to daytime hours.

But, what is the State F.F.A. President talking only about farming for?

Over 1,400 members in New Jersey are preparing for careers in agriculture and agriculture is more than farming. What is their future in New Jersey agriculture if there is no future in farming? What good are processes if there is no raw product to process? What good are suppliers if there are no farmers to supply? What good are mechanics if there is no machinery to fix? The list goes on--

I would like to leave you and all New Jersey residents with this final thought: In the past, farmers have sacrificed, trying to keep open space in New Jersey but their methods are no longer working. If there is to be farmland and open space in New Jersey, all citizens must be willing to sacrifice and they must start now.

First, farmers must be given a financial initiative to produce. Second, the wasting of good farmland must be controlled. Third, farmers must regain their right to farm. For many years we have seen farmland decreasing in New Jersey but until April of 1973, no solution was suggested. Now, three years later, no other solutions have been suggested, except an experiment trial of the solutions expressed by the New Jersey Blueprint Commission on New Jersey Farmland.

It is not for me to say whether the ideas expressed by this Commission are right or wrong. But I can say that we must start somewhere and this is at least a start.

As for myself, I was raised in New Jersey on a farm and I would like to continue farming in New Jersey, along with many other members of my organization but the future for us does not look very promising. Farmers are willing to fight Mother Nature on their own ground. We can struggle with her elements. We can understand her power over living things. We have learned to live under the law of supply and demand. But if you keep deminishing our profits, take away our land, and take away the right to farm, we farmers can do nothing.

I would just like to say that there are other members in our State who, although they are not preparing for farming, do rely on farming for their interests and who are preparing, as I said, for careers in the agriculture industry. The idea of the experiment in Burlington County - our organization does not back the idea of the Blueprint Commission. We would just like to express our views that we feel a need for some type of preservation of farming in New Jersey because this is where we would like to stay.

ASSEMBLYMAN STEWART: Thank you very much. Are there any questions from anybody on the Committee?

(no questions)

There being no questions, I would like to thank you very much for taking time to come here today.

Our next speaker will be Mr. Arthur West from the New Jersey Farm Bureau.
A R T H U R H. W E S T: Mr. Chairman, Members of the Committee, Ladies and Gentlemen: My name is Arthur H. West and I am a farmer who raises grain, strawberries, greenhouse tomatoes and flower and bedding plants on my farm in Upper Freehold Township near Allentown, New Jersey.

I appear here today as President of the New Jersey Farm Bureau, an organization of 4300 farm families in New Jersey. Our membership is entirely voluntary and is made up of most of the commercial farmers in New Jersey, representing from the smallest family-operated farm consisting of only a very few acres of specialty crops to farms consisting of thousands of acres and hiring large numbers of farm workers.

I want to start by expressing to the committee my sincere appreciation for this public hearing on this most important subject. I am sure this hearing will help to air all the various aspects of farmland preservation and this proposal and should certainly help resolve whether or not we should go forward with a pilot project, such

as is proposed in A-1334.

New Jersey Farm Bureau, has, for many years, been recommending a farmland preservation program in New Jersey. Our reason is sincere and genuine. Agriculture is a basic industry in New Jersey, as well as throughout the entire country and must be preserved if future generations are to eat.

In New Jersey we have lost thousands of acres of excellent farmland to urban, suburban and industrial development during the last 25 years. In fact, we have lost so much good farmland that in many areas of New Jersey, the economics of conducting successful agribusiness ventures is so bad that we have seen an exodus of such businesses, including farm equipment dealers, food processors, fertilizer manufacturing plants, farm supply business, and so forth. All of which has had a severe economic impact on the entire State and, to some degree, attributing to some of the fiscal problems faced in many localities throughout the State at the present time. In addition to the overall economic impact, this exodus has made farming in some areas of New Jersey nearly impossible. A farmer needs the supporting agribusiness if he is to farm his land. He needs it to purchase his supplies, to purchase his machinery, to get his machinery repaired, to market his product and so forth. Agriculture cannot live alone, nor can any other business live alone. This exodus, because of farmland loss has been very deteriorating to New Jersey agriculture.

In addition to this, the State of New Jersey, over the last 20 years, has been on a binge to bring everything under regulation. Regulations are certainly needed, but not to the degree that we have gone in New Jersey in trying to be a leader in regulating everything. In New Jersey we have been priding ourselves on the fact that our regulations are much more stringent than any nearby state and it must be remembered that these nearby states are the competition that New Jersey farmers must face when they sell their product.

It has been virtually impossible for many of our farmers to compete with the much less regulated farmers in neighboring states. Therefore, when the opportunity has been made available to them to sell their land at reasonably good prices it was certainly an easy decision for them to make to get rid of the pressures of running a business in a regulated society and at the same time obtain a fair price for their land.

While it is true that most farmers who have sold their land have done so at a very substantial financial benefit to themselves, the fact remains that many of these farms would still be producing food today had they not been forced out by excessive regulations.

Another area of concern that faces many farmers in New Jersey is high property taxes. This situation was partially corrected at least temporarily with the passage of the Farmland Assessment Act in 1964, which became effective in 1966. This one piece of legislation cut the loss of farms in New Jersey from three per day to one farm every other day. The Farmland Assessment Law has been very helpful but is only a partial answer because even today with the Farmland Assessment Law, we still, in New Jersey, pay the highest tax per acre of farmland of any state in the nation.

In 1975, the average acre tax on farmland in New Jersey was in excess of \$30 per acre. Thus, another reason why farmers in New Jersey have yielded and continue to yield to real estate offers when opportunity presents itself.

In New Jersey we have had for many years the most stringent regulations on farm labor, more restrictive and with a higher minimum wage rate than any other state in this area of the country. Again, a major reason for farmers to yield to the real estate pressures when opportunity has presented itself.

I could continue with reasons why farmers have sold their farms all day, but I feel we should be addressing our efforts toward reversing the trend and not just complaining about it and that is Farm Bureau's purpose here today.

New Jersey Farm Bureau believes farming can and should be a part of New Jersey well into the indefinite future. We have good land. We have 20 million consumers at our back door. We have the know-how to farm. Plus, we have urban neighbors who generally want farmers and open space in New Jersey. New Jersey Farm Bureau was especially pleased when Secretary Alampi, in 1972, was directed to appoint a commission to draw up a farmland preservation plan by the Governor at that time. We were also pleased to have several Farm Bureau leaders as members of that important commission. New Jersey Farm Bureau felt that the Blueprint Commission did an excellent job of analyzing the problem and making recommendations for a permanent agriculture in New Jersey.

One of the main points established by the Blueprint Commission was that the thirteen point program they recommended must be considered in its entirety and could not be segregated piece by piece if we were to preserve agriculture in New Jersey. Another very important premise the Blueprint Commission agreed on early in their sessions was the fact that if we were to preserve agriculture in New Jersey we would have to preserve it with a volume of acreage large enough to sustain the necessary agribusiness complex that is so important to agriculture - and, again, I refer to the agriculture supply businesses, the food processing people, the food marketing programs, as well as the pesticide, fertilizer manufacturers and everything that goes into agriculture.

Early in this discussion it was decided that we could not expect an agricultural plan to succeed in New Jersey unless it consisted of at least 750,000 acres. In fact, the commission felt that a million acres would be much more advisable but maybe not very practical. It was also decided by the commission that if farming were to continue in New Jersey into the indefinite future we must have the right to farm the land. We must have an ongoing agricultural research and extension program. We must have an improved marketing program, and we certainly need an adequate vocational educational program in the secondary schools. We certainly would need relaxation of some of the regulatory controls presently on agriculture, both in the area of farm labor and environmental protection. These are definitely needed if we are to continue to farm in this most urban state and unless these problems are realized and solved we might as well forget agriculture. It cannot succeed.

As I said earlier, the Blueprint Commission recommended that the entire thirteen points of that report be considered as a whole. In other words, land without the other considerations could not be farmed and, of course, we could not farm if we did not have the land. New Jersey Farm Bureau believes totally in and supports the Blueprint Commission Report. We believe that all aspects of the agricultural dilemma must be considered as a package. We do not believe the problem can be solved by any piecemeal approach and that, Mr. Chairman, is why we are here today, to oppose A-1334, which would establish the authority for a pilot program for the purchase of development easements. This pilot program, as we understand it, could only attack a very small fraction of the total problem. Therefore, it could not be successful in our eyes as a total solution for preserving farmland into the indefinite future.

It ought to be remembered that the Blueprint Commission did work long and hard with many many meetings and with people studying land preservation programs and agricultural land programs in all parts of the world as well as throughout the United

States. We are in a unique situation in New Jersey. No other area faces a problem quite the same as New Jersey's with the exception of perhaps a couple of the New England states which might be in a very similar position. Therefore, we have no pattern which we can copy. We must develop a program of our own. I certainly want to commend the legislators who introduced A-1334 and I certainly want to commend the Governor for his willingness to proceed with some type of farmland preservation program, but I think we must be very careful that the direction we take is the right direction.

Now, if I could, I would like to give you some reasons why I don't think we can every succeed with a pilot program approach.

1. The pilot program could not possibly set aside an area of land sizable enough to prove anything. We are talking only about \$5 million. It would surprise me if \$5 million in the area being talked about could set aside much more than 2,500 acres of land and a 2,500 acre of land mass, be it contiguous or otherwise, could not prove that we could continue to farm in New Jersey. It would not provide a large enough mass of land that would attract any processor or any food marketing endeavor. It would not attract any fertilizer manufacturers or farm machinery supply dealers, etc. It is just too small to be meaningful.

2. The pilot project would not guarantee the owner of the land in the project area any right to farm the land. What I mean by this is, he would still own the farmland minus the development easements which is well understood and well and good, but with a small mass of land such as perhaps 2,500 acres, would the Department of Environmental Protection be willing to relax any of its air pollution standards? Would it be willing to relax any of its noise standards? Would it be willing to relax any of its nuisance standards affecting farm odors, such as spreading of manure, or livestock pens? Would it be willing to relax any of these things? I think not. Would a 2,500 acre land mass allow any relaxation whatsoever in standards of farm labor? I think it would be meaningless and I don't believe the Commissioner of Labor and Industry would even give it a second thought.

Therefore, again, what we are talking about is too small to have any degree of success.

3. The pilot program, because of its small size, in our opinion, has very little chance of succeeding. Therefore, if, after a trial period of time, be it two years or five years, or what have you, the State of New Jersey decides that the pilot project cannot work, by that time the development easements would have been purchased by the State of New Jersey. What predicament do we leave the landowner in who is within this pilot project when this happens? He will own farmland without any development easements. It has been decided by that time that farming cannot continue in New Jersey, but he is stuck with a piece of property on which all he owns is its farming value. Nobody will want to buy a piece of property such as this so what you have done is deprive the landowner of his property value and I mean the farming value of his land.

Yes, I know it has been talked about that perhaps the State could resell the development easement back to the landowner - and I would certainly think they should be willing to do this - however, we must talk at the outset at what price these will be sold back. Will they be sold back at the same price as they purchased them? Will they be sold back at an appraised price based on the value at the time they are sold back, or what have you? How they will be sold back is important. I think this should be included in any piece of legislation setting up any kind of a pilot project. If this is the direction we are going to go, the landowner must have

protection to get his development easement back should the program fail.

In our opinion, he should get it back at exactly the same price he was paid for it. Even this would create considerable hardship on landowners because they will have already paid the federal income tax on the income they received from development easements which will reduce the total assets they have available and to purchase development easements back after this federal tax has been paid might very well cause many farmers to have to remortgage their property in order to do this and to gain back what they once had and sacrificed for a pilot project.

4. We have a very real concern that if this pilot program fails, it might very well be considered by the Executive Branch of State Government, by the Legislative Branch of State Government, and even by the citizenry of the State, that nothing can be done to preserve agriculture in New Jersey. We feel this is too great a risk to take with such a trivial, piecemeal, poorly conceived, poorly structured pilot project. New Jersey Farm Bureau wants a farmland preservation program, but it must be a program that can work to protect the right to farm on these preserved lands. We want to move forward quickly to enact such a plan. We believe future generations should have agricultural open space in New Jersey, and certainly we believe future generations should have access to good locally-grown food, but more important, they, in our opinion, should have the right to expect enough food to eat.

New Jersey Farm Bureau supports the Agricultural Blueprint Commission Report. We believe it is a practical approach to such a complex problem. We also recognize the reason the Blueprint plan is not being pursued at the present time is the fear of perhaps its high cost. Let me assure you, the cost will be high but the alternatives in this situation are more costly, and each day we delay adopting a complete plan, the cost of such a plan increases. The time to bite the bullet is now.

We support legislation which was introduced by Assemblyman Barbour - A.C.R.-128 - which would give the voters the opportunity to decide this issue, they are the people most affected and should be given this opportunity through referendum. We should pass this legislation now so they could have this opportunity in November of 1976.

We thank you for this opportunity to express our views on what we believe is the most important issue to face the Legislature in 1976 that will affect the lives of those who follow in future generations. Will we guarantee food to eat?

ASSEMBLYMAN STEWART: Thank you, Mr. West. Before we get into the questions, just for those of you who are wondering about the time schedule for today, we will continue until 1:00 and from 1:00 to 2:00 we will stop for lunch and will then continue - assuming we have not finished our speaking list, and I don't think we will - at 2:00 P.M. again.

Are there any questions? Byron, do you have a question?

ASSEMBLYMAN BAER: Yes, I have just one question. I don't intend to get into a discussion of some of the issues you touched on here today, such as farm labor. But I would like to ask you -- In relation to preserving farmland you mentioned many factors here that are having a negative affect on the maintenance of farming and the preserving of farmland. In those areas where there are development pressures - high development pressures - which, of course, aren't applicable to all farmland, presumably property taxes are higher in many cases because the land value is reflecting the additional potential of that land for development, barring variations in what the local property tax might be from town to town. Now, if you can generalize, viewing the land that is under the intense development pressure, how large a part of the problem is the property tax itself, as opposed to all these other factors?

MR. WEST: Well, in the first place, it really doesn't make a lot of

difference what area of the State you are talking about. What I mean by that is, whether you are talking about North Jersey, Central Jersey, or South Jersey, many of the South Jersey farms are paying a higher property tax, per acre, than some of the North Jersey areas are, so the urban pressures really haven't made much difference in that because of the Farmland Assessment Law. What the local tax rate is and what the other ratables are in a municipality determine that. But land, under Farmland Assessment, is based on its productivity rather than on its market value. So, that does not create a problem.

Insofar as development pressures - there are development pressures. Many of these development pressures are what bring about some of the nuisance ordinances and regulations and these types of things that make it difficult to farm.

We must find out, in my opinion, whether the urban society around us want agricultural land - and we think they do, based on several polls that have been taken and based on our questioning of non-farm people - and whether they are willing to sacrifice some of the concerns that they have had regarding noise and these sorts of things in order to have the open space next to their towns, or within driving radius of their community, for their children, and this sort of thing. We think that is an important factor. It has been in all of the Green Acres Programs. It has been one of the reasons, I think, people have supported them. We believe people want this open space.

ASSEMBLYMAN BAER: Thank you.

ASSEMBLYMAN STEWART: Thank you very much, Mr. West.

ASSEMBLYMAN KOZLOSKI: I would just like to make one comment.

ASSEMBLYMAN STEWART: I'm sorry, go ahead.

ASSEMBLYMAN KOZLOSKI: In one portion of your statement, you talked quite a bit about relaxation of environmental standards. I think you are aware, at the present time the Governor has asked Commissioner Bardin to do just this. I think your points are well taken because this involves not just farming but also industry for the whole State of New Jersey's survival.

I, myself, favor a reduction of the standards because we are in great competition with the other states to acquire industry. As far as they are concerned, about preserving farmland, I think many of the states are going along this line and I am hoping that Commissioner Bardin will reduce some of our standards so we can survive in all of our areas.

ASSEMBLYMAN STEWART: Thank you. One of things I do want to point out though is, if we try and address all of the problems that you addressed in your testimony, we will be here quite some time. I would hope that we will stay on just the Blueprint proposal today.

We appreciate you pointing out your problems, many of which we are aware of and I think you did stick to the subject. I hope that what you have touched on does not get everybody else in the room coming up and testifying about things that really don't have too much to do with this particular bill today.

We want to hear how you feel about the Blueprint Pilot Program and that is why we are here.

Our next speaker will be the sponsor of the legislation, Assemblyman George Barbour.

A S S E M B L Y M A N G E O R G E B A R B O U R: Good morning. I was involved in the Blueprint Commission, not as a member but as one of those who testified on several occasions and was much involved in the thrust of the Blueprint Commission and have supported it constantly since. In fact, President Arthur West indicated

that I had Assembly Concurrent Resolution 128 in this year - 1976 - and that is identical to the Resolution I had in 1975 for the purpose of implementing the Blueprint Commission Report.

I would like to have the committee examine Chapter 102, pamphlet laws of 1974, which was the Green Acre Bond issue, from which these funds are coming and you will note that in section 2 of that law, in sections a, b, c, d, e, and f, it is plain that the Legislature intended the Green Acre monies to be used in a manner that is consistent with the use to which this \$5 million is being put if this legislation becomes law.

Also, on page 2, section 3 d., and page 3, sections 4 a, b, c, and e, it emphasizes this fact - that this is the kind of implementation that is envisioned in the Green Acres Bill. In fact, one of those sections identifies the type of interest in real estate that can be acquired and it covers the rights that we would be acquiring here - the development rights - if this is made into law.

I support the statements of the people who preceded my testimony - Commissioner Bardin and Secretary Alampi - and I would like to also point out that President West of the Farm Bureau has always been supportive of the concept of the Blueprint Commission. As I see it, their desires are very similar - that is, Commissioner Bardin and Secretary Alampi and President West. I think that their difference, or point of departure, is one of implementation rather than objective, or their feelings with respect to the needs of the State.

I would point out that, in my opinion, the pilot project that is embodied in A-1334 is very similar to the type of action that the Department of Education has undertaken with respect to the implementation of the T & E Bill in education. In that case, there is now, ongoing, pilot projects in five of our counties, to implement that bill, so that they can gain the benefit of those pilot projects for the full implementation of the bill, which is looked to this year, given the solution of our fiscal problems.

I believe that is the sensible way to go when you are going into an area that is new and different. And I think that it is all the more important in the Blueprint Commission area because in this area we are going into completely uncharted waters, into areas that we have never gone into, not only in this State but anywhere in the country. Whereas, in the T & E Bill, it is not as radical a departure; it is a new educational concept but it involves areas that have been used in our school system and other systems throughout the country for a long period of time.

So, if a pilot project, or program, is necessary in the T & E Bill, I think all the more it is needed in the implementation of the Blueprint Commission. I can understand the concerns that certain individuals and organizations have in this area, in fact everybody who is involved has real concerns because there are things that are different and there are many problems of serious and long-lasting consequence. But I think that it is necessary, because of that, that we go into a pilot program rather than implementation of the full report.

I would like to point out that, if my arithmetic is correct, the total amount of money that we are considering to do this project throughout the State is between one and three-quarters and two billion dollars. The five million dollars that we are talking about in this bill, covers only about .003% of the cost. So, it is a rather small cost factor to gain all of the information that I envision we are going to gain with respect to this pilot program. I think that we have to be concerned, very seriously, with the expenditure of \$2 billion of the monies of the people of this State, and the taxpayers of this State. They have a stake in this. The tax burden that is placed on them by the expenditure of \$2 billion is a very real concern and one that we must be sure we handle properly and that that money is

spent in the best possible way. And given the uncertainties and complexities of the waters ahead of us, I think that we need a pilot program.

One other point that I would like to make in this area is, even if we were able to set up a legislative program that called for the implementation of the entire project, instead of just a pilot program, this would not, in my opinion, bring about the handling of the entire project on a statewide basis any sooner, in fact, it may take more time because if we have the \$2 billion available and we embark on a statewide project, we can't do that at one time - in one fell swoop. Physically, it is just beyond our capacity to do that. So, effectively, we are going to have to start in some area and do that and then spread out into the others. We can't possibly cover the whole state - blanket it - at one time. So, I think it is really more a question of semantics than it is one of real substantive difference.

I am, of course, from the area where this pilot project is to be located if we pass the legislation. I have lived there all of my life. I am very familiar with the municipalities that are involved in the total area. I have served as solicitor for some of those municipalities. All three of them, as Mr. Cedar of the Burlington County Planning Board testified, have had tremendous development pressures that have been facing them for many years. All of them have been involved in multi-family housing development. Leisure Town is one of them. It is for the older people - a retirement community. Medford Township, as he indicated, has, at great cost to them, had an environmental study completed over a period of about two years and it shows the concern of the people in these areas - the concern they have for the future - to see that the proper allocation between the varying needs of our populace are taken care of.

I believe that the Mount Laurel Decision emphasizes the fact that we need this kind of a program to operate in this area in Burlington County now more than we do in the other areas of the State because that Mount Laurel Decision is going to place additional, tremendous burdens and pressures on municipalities in this area in connection with multi-family housing. I don't mean by that that we are in any way endeavoring to - or should be - block that kind of development. But I think that with the pressures that will come forth, we need a program like this to insure that we get proper planning over the total spectrum, or scope of planning, and this is a tool that is needed to enable us to accomplish this in this area.

For your information, Mount Laurel's governing body has submitted to the court, in that case, a plan to implement the requirements of the court decision. It is my understanding - I don't know whether this has been formalized yet - that the court has been satisfied with the plan that they have implemented.

I would also, in view of some of the other statements that were made and questions that were asked previously, like to point out that in the Supreme Court decision of the Mount Laurel case, as to industrial and commercial development, their main problem and concern with that is that they were over-zoned for industrial and commercial. They had 400% more land zoned for this purpose than could possibly be utilized for the next 50 to 100 years. This is true not only in Mount Laurel but also all the surrounding municipalities. So, I think we will find that the industrial and commercial needs will be adequately taken care of in the planning and zoning subdivision concepts.

In connection with just emphasizing these pressures, during the decade between 1960 and 1970, this area, which is in Burlington County and immediately contiguous to Ocean County, is the area of our State that saw the fastest growth in population and development of the entire State. This pressure has continued through

all of 1970, of course slackening off in the last few years, as it has everywhere because of the fiscal problems with respect to mortgaging and housing construction.

I have looked at the funding of the ACR-128, which would be the implementation of the Blueprint Commission's total need throughout the State, as coming from the realty transfer tax and I would like to call to the attention of the Assemblymen who were here last year the fact that when we passed the realty transfer tax to help fund the supplemental appropriation, that realty transfer tax was just a modest increase and we had to leave the board open for three-quarters of an hour to an hour just to get that increase passed. There is no way, in my opinion, that the realty transfer tax can develop the \$2 billion, or thereabouts, that is needed in order to implement this program totally. From my experience with respect to last summer's endeavors, since I was the prime sponsor on that bill, I would doubt if we could get such a bill passed if it were to be the cornerstone, even, of a \$2 billion funding measure.

That points out the benefits that you get from experience and that is the kind of thing that we are hoping to get out of this pilot project - experience, so that we can do the total job much better.

One other thing that concerns me with respect to attempting to do this in one fell swoop is the \$2 billion cost. Looking at that cost in relation to all of the other costs that we are facing, if we added them all up, the other costs could run just as much as this one does. We could be looking at \$4 or \$5 million in cost and as much as I am in favor of the implementation of the Blueprint Commission's Report, I find a great deal of difficulty, in fact, in justifying the assignment of a \$2 billion priority to this project when \$2 billion or so would be needed to cover all of the other priorities that we have. I think that would be out of proportion. I think that we have to look at a fairly long-range period of development and a long-range program to take care of this problem.

I think that a very important factor that I am sure you have noted throughout the testimony that has been given ahead of me today is, all areas of government and all of those who testified are united in their desire to see that the Blueprint Commission's thrust be implemented. I feel that once we get settled on a course of proceeding here, that these interests will all combine to insure that we have the best possible pilot program and get the most benefit out of it for the people of this State.

I also think that it would be advisable to get from the soil conservation setup in New Jersey, the reports that they have as to the soils throughout each of the counties, particularly, of course, the one involving Burlington County. I think that will be valuable information for the committee to have.

The sale of development rights, as I see it, would enable the farming operation to be a much better operation in New Jersey because it would give the farmer who presently owns the farm the financial resources he needs to conduct a better operation. It would also mean, in the transfer of the farm by death through will or intestacy proceedings, that it would be easier for the farming family to retain the ownership of that farm and still have the resources needed to enable them to continue in farming.

Also, if the State has acquired development rights, as to a particular farm, and that farmer, for whatever reason, has a need to sell that farm, or transfer to another, this other person or entity would be able to conduct a better farming operation because he wouldn't have to pay as much for the farm. He would only be buying the farming rights, so to speak, of that farm and would, therefore, have more of his resources left to him to enable him to conduct a better farming operation.

I don't know whether any of you saw the program on Channel 6 this weekend - this past weekend - as to the problems they are experiencing in Pennsylvania with respect to farmland. They have had this problem for quite a long period of time because of the inheritance tax laws. We have a similar problem here. They went into family after family in Pennsylvania who had to get out of the farming business because they just couldn't pay the inheritance tax and still have a viable farming operation left. They either had to mortgage their farms or sell portions of it, or get out of the business entirely because of the implications and problems of the inheritance tax laws. We have, of course, similar legislation with respect to that and similar problems that greatly affect the ability of the farmer to maintain his farming operation.

I feel optimistic with respect to the attitudes that have been expressed by the Department of Environmental Protection and, of course, the Agricultural Department. I have had many contacts since this bill was introduced with farmers in the Burlington County area and with people all over the State and I have also seen many of the statements they have issued, which have appeared in the press. Almost all of them indicate a desire to see this project move forward. They do express serious reservations and concerns with respect to the implications and the problems that will need to be ironed out, but they feel it is time to get moving and they express a desire that the Legislature go forward with this project so that we can get underway and they feel that because of the serious implications that it is better to go the route of a pilot, or demonstration, project rather than attempt to implement the entire project at one time - or under one piece of legislation. Thank you.

ASSEMBLYMAN STEWART: Are there any questions? Assemblyman Barry.

ASSEMBLYMAN BARRY: Mr. Barbour, Mr. West raised several questions, one dealing with the possibility of the failure of the program and the landowner exercising his option to buy back the development easements. In the event of a problem with the pilot project, what procedure would be followed to buy back the easements?

ASSEMBLYMAN BARBOUR: I have been assured by both Commissioner Bardin and Secretary Alampi that this will be worked out in the operation of this pilot project. I would see no problem, however, if this committee felt that such guarantees, or safeguards, should be written directly into the bill.

I am very concerned about that area too and I think that in the committee's considerations and deliberations they ought to give that very careful attention.

ASSEMBLYMAN STEWART: It appears that - not just on this subject but on many subjects - there seems to be a great reluctance on the part of the Legislature anymore to give blanket authority to somebody and let them draw their own guidelines. That question has come up several times already this morning, as you know, and it has come up in the two or three months since the bill has been introduced. The suggestion has been made that possibly there should be some companion legislation that has in it some of the rules and regulations and guidelines that are being promulgated right now and that are being discussed at these town meetings throughout Burlington County. Do you have any feeling one way or another on that subject?

ASSEMBLYMAN BARBOUR: I think there ought to be a flushing out, whether it is in this bill or in companion legislation, to cover these concerns. I think going the route of public hearings with respect to this bill is a good way to bring all of those out and I think that you ought to move, not with haste but with deliberate speed. I think it is a pressing problem to get resolved but I think that you should take whatever time you need in order to put together, either under this bill or in separate legislation, whatever safeguards the hearings point out need to have consideration.

ASSEMBLYMAN STEWART: Are there any further questions?

ASSEMBLYMAN BAER: Yes. First of all, since I now have in front of me a copy of the legislation, Chapter 102, could you repeat again those sections which you said--

ASSEMBLYMAN BARBOUR: Yes. On page 1, Section 2, subsections a, b, c, d, e, and f.

ASSEMBLYMAN BAER: Well, what I have is the Chapter law.

ASSEMBLYMAN BARBOUR: That is what I am talking about.

ASSEMBLYMAN BAER: Page 1, Section-- Do you have this?

ASSEMBLYMAN BARBOUR: Yes. In Section 2 you have the finding of the Legislature with respect to the Green Acre Bill itself, and the need for it. The Legislature found that the provisions for lands, for public recreation and conservation resources promotes the public health and prosperity. In other words--

ASSEMBLYMAN BAER: Okay, yes.

ASSEMBLYMAN BARBOUR: Also, the other sections go along that line.

ASSEMBLYMAN BAER: Which were the others? I am talking about reference to farms - farmlands.

ASSEMBLYMAN BARBOUR: Well, with reference to farmlands - 3 d.

ASSEMBLYMAN BAER: I see subsection 3 d. That is the only thing I see. Is there another thing in here?

ASSEMBLYMAN BARBOUR: No. That points out that the acquisition of lands actively devoted to agriculture shall be avoided wherever possible. I think that is in no way inconsistent with what we are doing here because what we are doing here is guaranteeing the active operation of that farm for a much greater period of time than it could possibly operate if we did not buy the development rights.

Now, with respect to lands, etc., Section 4, paragraphs b. and c. define what development means and they also define what land means, and in land it says, "Land or lands means real property, including improvements thereof, or thereon, rights of way, water, riparian and other rights'..." which I believe covers the development rights without question, and "...easements, privileges, and other rights or interests of any kind or description in relation to or connected with real property."

ASSEMBLYMAN BAER: All right. Let me get to the question that is in my mind. This goes to the basic Act and I wanted to put it to you because as our first witness who is a member of the Legislature, I know you appreciate very much some of these broader concerns that I would like to refer to and get your reaction on. One of them is the problem that sometimes occurs when the public supports a measure, or sees the Legislature support a measure, and draws certain conclusions or ideas about it that may be, possibly, different from that which is legally and technically provided.

Leaping aside to, let's say, a totally different area, I think we ran into a situation with the State Lottery where the public expectation, on the basis of the general information put out, was that this would solve our education problems. Probably no legislator and no statement ever said it just as such, but at the time the Lottery was acted on, that impression was created in the public's mind very substantially and there wasn't a lot done to stop the public from getting that impression, which turned out to be very helpful in terms of the public supporting the Lottery. But I think we have all learned that there was a price paid for that. I think that occurred, probably - if I am correct - before you and I were in the Legislature, I am happy to add. But the price today is a very great public dissatisfaction about that and there is a credibility problem that makes it more difficult to deal with other things.

Now, I am wondering, as I look at this referendum wording that the public

voted on, whether the public really believed they were voting on something at the time that would make it possible to take Green Acre money and spend it on farms, to which the public would have no access, except to look at from the road. I wonder whether we are likely to have a problem here no matter how worthy this proposal is because of public feeling about that. I notice that the language that was before the public, spoke about recreation and conservation purposes - developing land for recreation and conservation purposes. There was really no specific mention of preserving farmland. Now, one might argue that it could be interpreted that way by the use of the word "conservation" but I would like to ask, when I am finished developing this, whether you feel that might have been in the minds of most of the public.

I realize that this legislation that was adopted was in existence before the vote and that there is reference made there - in the language you referred to - to acquisition of land. You referred to avoiding acquiring land that is actively devoted to agriculture, except possibly development rights or conservation easements. But, aside from whatever limitation there might be, in terms of what the public understood - because the majority of the public didn't read the fine wording of this legislation at that time, let alone, perhaps, know of its existence - I would like to raise the question as to the confusion, or lack of clarity, that might have existed in the minds of those who read this legislation at that time. Because the definition "recreation and conservation purposes" means use of land for parks, natural areas, historic areas, forests, camping, fishing, water reserve, wild life, reservoirs, hunting, boating, winter sports, and similar uses for either public outdoor recreation and conservation of natural resources, or both. Now, from today's perspective, with this proposal before us, as I read it - and I won't repeat it - the limitation on avoiding acquiring land devoted actively to agriculture and the easements and development rights denotes a certain meaning. But I am wondering, in the absence of this legislation, whether people were aware of that. I would like to throw that out to you to comment about, generally.

ASSEMBLYMAN BARBOUR: Yes, I would be happy to. Commissioner Bardin did comment as to this aspect of it just shortly before you arrived. I have talked with him and Secretary Alampi and other people about that. Incidentally, this piece of legislation was available at the time of that vote.

ASSEMBLYMAN BAER: I know.

ASSEMBLYMAN BARBOUR: This was adopted September 19, 1974 and, of course, the vote on the legislation took place in November of that year.

I, of course, can't give any assurance as to what the people thought because this is something that we can't foresee, really. It is my feeling that this was within the public thinking area of Green Acre lands and purposes.

If we look at the parks and forests that we have, generally speaking the people do not make active use of those areas for recreation or other kinds of purposes - entry upon those lands, etc. They are there for conservation and for the purpose of keeping our environment as it is. Probably when the lands first started to be acquired, there wasn't too much thinking about the environmental aspects of it and the need therefor, but this has certainly been something that has come into the public concept with forceable effect over the past decade or so.

I think that land, and the guarantee of it being devoted to farming and agricultural purposes because of the kind of activity that that means, is very compatible with parks and forests and, legally, in my opinion, it certainly does come within the language contained in Chapter 102 of the Laws of 1974. I think in the public consciousness it does. I think that most of the people who voted in favor

of that had in their thinking the conservation and environmental needs probably to a greater extent than the recreational needs. In fact, in the Green Acre funds and bond issues prior to then, there is no question that the conservation was stressed more than the recreational areas.

ASSEMBLYMAN BAER: Well, what we are talking about here is not just conserving land in its natural form, such as parks, woodlands - or at least close to natural forms, I realize there is probably no virgin forest in this State and, if so, at any rate that is not what we are talking about here today-- Agriculture is a form of land use. It is a form that I am not at all questioning the desirability of preserving. Now, your view is that this legislation was adopted pursuant to the referendum. I know the legislation, by the way, was before the Legislature-- Was it passed before the vote?

ASSEMBLYMAN BARBOUR: Yes, it was passed and signed into law on September 19 - a couple of months before.

ASSEMBLYMAN BAER: It was signed into law before the vote. Now, that, in your interpretation, effectuates the Green Acres referendum in a way to extend the meaning of conservation, as I understand it - for conserving the use of land for agricultural purposes, as opposed to it being used for a more intensive purpose?

ASSEMBLYMAN BARBOUR: Yes.

ASSEMBLYMAN BAER: Would you think, under the same line of reasoning, based on the referendum that was passed - not the legislation but the referendum - other legislation could be - and I am not talking about from a political point of view - adopted by the Legislature which would legally have that effect in terms of preserving residential, low density usage - which some people might feel has a value - from the incursion and changing over to a form of, let's say, intensive commercial use? Let's say you have a residential area and it is near an enlarging shopping center, or it is near an enlarging industrial park, or something like that, and there are pressures - development pressures - to want to take over that less densely used land, land used for residential purposes. Arguably, there are feelings that this has a particular value to the State and to the society to preserve this land for this purpose. Under the interpretation of conservation here and with a desire to conserve that land, as opposed to a more intensive land usage, would you think that the Green Acres bonding measures that the voters acted on would permit such legislation as that?

ASSEMBLYMAN BARBOUR: No. I understand the thrust of what you are saying.

ASSEMBLYMAN BAER: How far can we go with this?

ASSEMBLYMAN BARBOUR: I do not feel that under any stretch of the imagination that could be encompassed under the Green Acres money. First of all, that land is developed and it is developed in a way and in a fashion that there just isn't any development rights left, from a legal or practical viewpoint. You wouldn't acquire anything. I think it would be stretching the concept of conservation all out of proportion so that it just would not be reasonable and, therefore, any such endeavor to stretch it would not be condoned by the courts.

ASSEMBLYMAN BAER: Well, can you conceive of a situation - just from a legal point of view - where the owners of such land where there is development interest in a higher density development, would sell development rights - that there could be, actually, development rights to develop that to a higher density and, in effect, the owners contract to sell? Let's say it is zoned for higher density and it has that commercial value and it is economically feasible to tear down and to do that and the owner would sell to some other party, or to somebody that a group of owners themselves in the area had created, the development rights to prevent that development. I'm not

sure that you couldn't have a perfectly sensible legal parallel. Of course, I think there is no doubt - I think you and I would both agree - that the public never contemplated that when they voted for the Green Acres Resolution.

ASSEMBLYMAN BARBOUR: Yes, you are right on that.

ASSEMBLYMAN BAER: We would be violating the public trust if we were to act on something like that. But the question still remains in my mind about the other.

ASSEMBLYMAN BARBOUR: I don't think that is in the ball park here. I can see, and can conceive of other legislation which provides bond money for that kind of a purpose but I cannot conceive of any activity of that kind involved with the Green Acres money under Chapter 102. It is just too far beyond the realm of possibility. No way could that be a reasonable use. There is no question in my mind that that would be one case where the courts would have the unanimous decision that that could not be stretched to that point.

But, by the same token, I think that you could develop that with entirely fresh and new legislation. I think it would be more difficult to sustain it constitutionally because you are stretching the thing to the very limit of viability, I believe, to say that that would be a conservation thing or of any interest to the public that would be supportable. I understand the concept and I think that legislation could be developed to do that.

ASSEMBLYMAN BAER: You understand I am not advocating that as a proposal but merely as a means of examining what has been done. Thank you very much.

ASSEMBLYMAN BARBOUR: Just to have assurance that that can't be done, I think, more than any other purpose, is the thrust of your question.

ASSEMBLYMAN STEWART: Thank you very much, Assemblyman Barbour.

ASSEMBLYMAN BARBOUR: Incidentally, I have, just recently, come across some statistical material and a statement that I would like to make available to the committee. I think it would have an important bearing on your consideration of this bill.

ASSEMBLYMAN STEWART: Will you see that Mike Catania gets that?

ASSEMBLYMAN BARBOUR: I don't have it with me today but I will see that he gets it.

ASSEMBLYMAN STEWART: We will call next - and these will be the last to testify before we break for an hour for lunch - representatives from Holmdel Township, Mr. Gagliano and Mr. Popolo. When we come back, after lunch, the first to testify will be the Freeholder from Burlington County, Mr. Szychoski, Dr. Eugene Vivian, Mr. David Moore and Mr. Lester Jones, in that order.

Please state your name.

T H O M A S G A G L I A N O: Yes. Thank you very much, Mr. Chairman, for the opportunity to be here and also to be reached prior to lunch.

My name is S. Thomas Gagliano. I serve as the Township Attorney in the Township of Holmdel, Monmouth County. Holmdel is 17.90 square miles with a total of about 11,000 acres. As of this time we have 140 farms that are assessed under the Farmland Assessment Act and approximately 5,000 acres in active farmland.

Much of our farmland is contiguous in the central part of the township. Much of the farmland is considered prime farmland and at least one of our farmers is on the Blueprint Commission. Several of our farmers are active in the New Jersey Farm Bureau.

Holmdel is under developmental pressure. It is very evident. We are now on appeal from a judgment of the Superior Court which declared our ordinance invalid.

We, in the township - and regardless of any position that we have taken on zoning - feel, because we know our farmers and we respect our farmers, that farming as an industry must be protected not only in Holmdel but in all portions of the State.

We are a corridor State. We are under great pressure from both ends - the New York area and the Philadelphia area. We respect farming, as I say, not only as an industry, which is very important but also it is, in many cases, a family operation that is morally good and we want to see it continued, not only in Holmdel but in the entire State.

Third, and I guess what Assembly Bill 1334 really is hoping to say for us is that it is a very inexpensive way to preserve open space and at the same time provide money to the farmer so that he may continue.

With reference to the program that is pending, we feel that using just four municipalities may not be sufficient, it may not be a sufficient cross-section of the State in order to provide real answers to your committee and to the Legislature on the future of farmland preservation.

We would like to see the program expanded to several counties, specifically in our case we would like to see it extended into Monmouth County and we would like to see it expanded into Holmdel Township.

We have to agree with Mr. West that if the project in the very small area of the county that has been chosen, and those four municipalities, does not do well, it might have an adverse effect upon the thinking in the entire State.

Now, in line with that - and I would like to ask that Mr. Popolo be heard next, if I may - Holmdel has done a little research of its own, through the cooperation of the Department of Agriculture, and we find that there are 322 municipalities in this State that have farmland assessments of a more or less nature. We have to believe that that is a lot of municipalities and there are lots of farms in those municipalities. So, therefore, Holmdel's thrust has been to recently adopt a resolution looking toward finding the municipalities who have farmland - a substantial amount of it - if that is possible - and getting them together and taking steps to ask and get behind the Legislature to preserve farmland.

That is the extent of my statement. If you don't mind, I would like to call upon Mr. Popolo because he is the one who has to get back to work.

ASSEMBLYMAN STEWART: Mr. Popolo, please give us your full name.

J O S E P H P O P O L O: Yes. My name is Joseph Popolo. I am a Township Committeeman for the Township of Holmdel, Monmouth County, New Jersey and I am a member of the Planning Board. I would like to read part of this resolution and will make copies of the resolution, as it was passed at the Township Committee meeting last Tuesday, available to you within a week.

Whereas, It is the opinion of this Township Committee that immediate action should be taken by this State to preserve farms and farmland, recognizing that farming is an important industry in this State and that farmland preservation will guarantee the preservation of open spaces and a healthy environment and, at the same time, provide adequate compensation to the farmer in lieu of the right to develop his land and,

Whereas, Farm preservation can only come about through speedy action by the Legislature and the Governor and it being recognized that New Jersey is already the most densely populated State in the nation and that its location as a corridor State, between New York and Pennsylvania, creates increasingly strong demand for development, now therefore be it

Resolved, By the Township Committee that the Legislature immediately adopt A-1334 and the demonstration program plans for Lumberton, Medford, Pemberton, and Southampton Townships in Burlington County be expanded to include this municipality as well as other farmland municipalities of this county and in this State. That the

Legislature of this State proceed immediately to implement a farmland preservation program for the entire State so that at least seventy percent of the lands currently farmed shall always continue to be farmland and that a certified copy of this Resolution be forwarded by the Clerk to the governing body, the planning board, and environmental commission of each of the 322 farmland municipalities in the State of New Jersey requesting each to join in urging their legislative delegation and the Governor to act immediately to preserve farmland. That it be hereby strongly suggested that the 322 farmland municipalities join forces in this effort by calling a one-day convention of all interested municipalities, farm groups, and all other persons and associations at the earliest possible date.

Thank you very much.

ASSEMBLYMAN KOZLOSKI: Thank you. Are there any questions, Assemblyman Baer?

ASSEMBLYMAN BAER: No questions.

ASSEMBLYMAN KOZLOSKI: I want to thank you very much for coming down as a representative of this area today. It seems that most everybody that has spoken so far is from the southern part of the State and you have brought us the views from the more central part of the State and the Monmouth County area. Thank you very much.

MR. POPOLO: Thank you.

ASSEMBLYMAN STEWART: At this time we are going to break for lunch and we will start hearing testimony again at 2:00 P.M.

(Lunch Break)

AFTERNOON SESSION

ASSEMBLYMAN STEWART: The next witness will be William Szychoski, Freeholder, Burlington County. Is he present? (No response) If not, we will call on Dr. Eugene Vivian, Director of the Conservation and Environmental Studies Center.

V. EUGENE VIVIAN: Good afternoon, Mr. Chairman and members of the Committee on Agriculture and Environment. I am Eugene Vivian, Executive Director of The Conservation and Environmental Studies Center, at Browns Mills, and Professor of Environmental Studies at Glassboro State College. I represent the Center directly and I speak as an individual in my capacity as Professor of Environmental Studies.

My presence here today is to urge the Committee to act favorably in this land preservation proposal and to promote its passage in the General Assembly with all vigor.

As an instructor of land use courses at Glassboro and also at Burlington County College, my students, colleagues and I were most favorably impressed with the Blueprint Commission's Report on the Future of New Jersey released in May of 1973. It seems unquestionable to assert that wise and just land reforms are needed in all areas of the world where high population density and suburban sprawl are functionally destroying areas with some of the most productive soils. This is only natural since human population centers often spring up in fertile farm districts.

The selection of land for business, residential or industrial use seldom takes into account the soil fertility or productivity of a site to be used for those purposes. As a result of this practice, many valuable soils and farms have been forever lost for food production, while less agriculturally desirable lands have been left open. As I understand it, the purpose of A 1334 is to provide an equitable means for preserving our best arable lands.

An overall land management is needed. A densely populated state like New Jersey with a limited land area needs an overall management plan for all land-water areas. New Jersey has made important gains to this end with the Wetlands Act and the Coastal Area Facilities Review Act. With state and federal assistance, a majority of municipalities are making progress in developing and updating master plans. But agricultural zoning has generally not been a priority in community master planning. The present proposal through A 1334 provides a legal tool by which municipal planning boards and agricultural landowners can work cooperatively to safeguard agricultural open space. The temptation for farmers to sell their land for higher revenue uses in the face of ever-increasing taxes provides, of course, the immediate need for enlightened societal action.

Agricultural land is open space. Open space or green acres are needed not only to provide public parklands for a variety of recreational purposes, but also for the control and preservation of the abundant rainfall in New Jersey's climate. Open space is essential for catching rainwater, holding rainwater so that it may enter the soil slowly, and to prevent soil-eroding, stream-choking, flood-producing rainwater runoff.

The Conservation and Environmental Studies Center exists as a non-profit corporation to foster beneficial environmental quality not only by educational programs for adults and youngsters, but also by work for and with government agencies and industries. CESC, Inc. has been in continuous contact with a broad segment of the population since 1966. Although I cannot speak for them directly, I have talked with several farmers from Burlington and other counties as well as with representatives from many public and private agencies. Those with whom I have talked share my support for A 1334 for the following reasons:

First, valuable agricultural land would be permanently retained as Green Acres, thus maintaining the essential food production potential necessary everywhere for the growing human family.

Two. Municipalities would have a practical and a useful legal tool while maintaining an essential land use.

Three. Farmers would be induced to keep their lands in agricultural use because their real estate taxes would be maintained at rates commensurate with the costs of farm operation and anticipated farm income.

Four. Rainwater replenishment supplies for aquifers in Burlington County would be assured in an area where underground water withdrawal is increasing.

Five. Open space maintenance in central Burlington County will favorably increase water supplies to aquifers used by the heavy population concentration at the seashore.

Six. The growth of population density would be more evenly distributed among many New Jersey municipalities by the reservation of agricultural open space as municipal Agricultural Preserves.

Seven. An aesthetically pleasing and humanly satisfying landscape would be preserved in the project area of central Burlington County.

Recommendations:

One concern which farmers and others have voiced relates to the disparity between the funds proposed for allocation (\$5 million from Green Acres sources) and the agricultural land areas available in the four project communities, namely, 41,500 acres. If 70 percent of the land is to be sought for inclusion in the Agricultural Preserve, then an area of 28,000 acres is the project target. If the difference between the general land use value and the farm use value ranges from \$800 to \$1500, then only 25 percent or 7,000 acres of the total target area would be placed in the development easements.

It would be wise for this Committee to consider additional and alternate means for fiscal support for A 1334 not only for this pilot project but also for the future. While it is entirely reasonable and justifiable to utilize Green Acres funding for a pilot to maintain acreage in agribusiness, it does not seem likely that the statewide program for the Blueprint Commission could be so financed.

Other people are impatient. They wish that the program could have been initiated sooner and with a greater scope. Some farms are already overwhelmed with a heavy volume of alternate land use. High real estate purchase prices even for federal installations are driving the farmers out.

I believe that there is no time left. I urge the Committee to act favorably now and get this bill through the Legislature. Thank you.

ASSEMBLYMAN STEWART: Thank you, sir. Are there any questions?

ASSEMBLYMAN BAER: Just a question about the organization of The Conservation and Environmental Studies Center: Could you tell me a little bit about it? Is it supported by universities, foundations, industry, or what, just to get an understanding of it?

DR. VIVIAN: We are a non-profit, educational, environmental corporation. We were originally funded under the Elementary Secondary Education Act of 1965. That funding support ceased in 1971. Since then, we have been maintaining ourselves through fee-bearing contracts for our clientele, namely, schools, business and governmental agencies.

ASSEMBLYMAN BAER: Thank you.

ASSEMBLYMAN STEWART: The next person to be heard will be Mr. David Moore.

D A V I D F. M O O R E: Mr. Chairman, my name is David F. Moore. I am Executive Director of the New Jersey Conservation Foundation, a non-profit membership foundation with offices in Morristown, New Jersey.

The Foundation supports the concept of the preservation of farmland by less-than-fee acquisition. We also support the use of Green Acres funds for the purpose. The Foundation has experimented with conservation easements and other innovative open space conservation

techniques for the past seven years, in close cooperation with the State of New Jersey's Natural Lands Trust, and in so doing has proven the legality and feasibility of the concept of conservation easements and restrictions.

We would urge that the proposed legislation be viewed as an experiment, and treated in that way. Should it be feasible to demonstrate the effectiveness of the easement idea under the proposed plan with less than the \$5 million sought, remaining fund commitments should be released for other more conventional open space conservation purchases, and appropriations sought for a larger scale farmland preservation proposal.

We also urge that the Department of Environmental Protection and Department of Agriculture make use of the private sector land preservation groups, such as the Foundation, the Nature Conservancy, the Trust for Public Land; and that careful research into further legislation to more effectively support easements in gross in New Jersey be pursued, such as A 589, which was introduced four years ago by then Assemblywoman Millicent Fenwick; that a project plan be made public to assure federal capital gains tax advantages - and I might add other tax advantages - to landowners; and that land-use controls be instituted in the project area municipalities by both state and local agencies to assure fair market values for lands on which building should be restricted for public health, safety and welfare reasons to assure that values paid for farmland preservation restrictions reflect true values; and fifth, that the transfer of development rights concept be combined with the restriction system should legislative action be taken enabling the use of TDR. At least we know the Township of Medford - and I might also add the Township of Pemberton, at least in part - is ready to institute the TDR and easement concept at the present time within the proposed project area; other municipalities may be ready as well.

The discussion this morning prompts me to add a few further points. We feel strongly that public land use for natural area recreation or some other Green Acres function should be the core of any such plan proposed by this legislation. This way the use of the funds as proposed would be better justified and appurtenant easements would be utilized, solving questions of easements in gross diminishing with the passing of title in the remainder interest.

The utilization of public open space as a core is important for some other reasons. Farmland preservation, as Mr. Baer tried to get at this morning, was not a selling point in the Green Acres bond issue. We have no referendum for the use of Green Acres funds for this purpose, although I think the legislation is clear that it can be used for that purpose, and we support it.

Easement law, as developed in New Jersey, favors appurtenant easements and discourages easements in gross; that is to say, an appurtenant easement is one that is used to protect an existing investment. An easement in gross just sits out there with no protective mechanism. In fact, we are not even sure in New Jersey at this point, at least from our experience, whether easements in gross will remain in place on transfer of a remainder interest. If the farmer should sell, once having transferred the easement, we are not sure whether that easement in gross would stay in place. It may be extinguished in some way by the sale of remainder interest.

Another major point - for all practical purposes this legislation is the first expression of public policy for the State's share of the 1974 Green Acres fund; and, as such, should be considered very carefully as a policy matter, if it is, in fact, the first one. It is the first one I have been subjected to.

It should also be pointed out that farmland in New Jersey has reached such a critical state that the Legislature should consider protecting farmland through regulation in the interest of protecting the public health and welfare, as is the case in other countries, which perhaps we can only compare ourselves to rather than other states, such as Switzerland

and England.

We are very pleased to have had the opportunity to present this testimony to you and thank you very much for the opportunity.

ASSEMBLYMAN STEWART: Thank you. Are there any questions?

ASSEMBLYMAN BAER: It may seem a bit of an aside, but in weighing this proposal against alternatives, it is useful to know what some of the alternatives are. What is the system or systems in use in Switzerland and England that you know of for preserving farmland?

MR. MOORE: Well, in each case there has been a regulatory system established and I am not prepared obviously, and I am sure you are not, to go into the details of either system. But there is a regulatory system established in which well-defined amounts of land are established and set aside more or less permanently in zones for separate purposes. For example, there are farmland zones which are not to be used for any other purpose, and similar zones for other kinds of uses, because it has been determined as, in effect, we have in New Jersey, that farmland has sufficient interest in itself to be protected. This obviously flies in the face of a lot of private interests on the part of farmers who have, as Secretary Alampi described this morning, a stake in the land and its speculative value. But in the long run, with the competition for land being what it is, we are going to have to take some steps like that, permanently setting aside through regulation as we have done with the flood plains and other lands, to see to it that some of these lands are protected appropriately.

ASSEMBLYMAN BAER: To the best of your knowledge then, they have been able to do that there by an exercise of zoning powers without having to purchase away the right to use the land for more intensive purposes.

MR. MOORE: For the most part, that is true. There have been some exceptions, as I am sure there would be in any system.

ASSEMBLYMAN BAER: Under our zoning law, I understand we can't do that. I don't know enough about law to know whether that is a limitation imposed by the State or perhaps even the Federal Constitution. That is something I am interested in learning more about. Thank you very much.

ASSEMBLYMAN STEWART: If there are no further questions, thank you very much.

The next witness will be Mr. Earl Emmons, Tax Assessor and farmland owner.

E A R L E M M O N S: My name is Earl Emmons. I am from Pemberton Township. I completely agree with A 1334 as a pilot program. I certainly hope it doesn't stop at just being a pilot program. I hope it is the beginning of what will take place in the whole State.

I am a Farm Bureau member, have been for years, and my family a long time ahead of me has been. I feel it is a good organization; if I didn't, I wouldn't belong to it. The thing we are looking for right now is something we feel we don't have time to wait for. We feel that with the speed that farms are going out of use in this State, every year that we wait, we have lost a lot of farmland that could have been saved.

A little bit more about us. My wife and I and our sons have formed a family corporation and have looked into the possibility of passing the farm on to our sons. We have looked into it very thoroughly with two lawyers. We have a corporation lawyer and another lawyer who are working on it. And, at the present time, our sons could not afford to inherit our land and our business if anything should happen to my wife and myself. We have found out that it would cost about \$1,000 an acre for the boys to inherit our property at the present time.

We feel that for anyone in our position who has a family that wants to go on

with a farm operation, this program is the only way they could possibly continue. This is not just hearsay; we have looked into this.

The next thing I would like to talk about is the effect on taxes in our municipality. The man announced that I am also the Tax Assessor in our municipality. I had to get off the farm a few years ago because of a heart attack and I have worked very closely with the municipality along this line, knowing the effect that the Green Acres program has had on our township. Just a few years back when the Environmental Center which used to be called White's Bogs was taken off our tax rolls, it was the largest tax ratable on our books. It was taken off one year, just like that. This affects the taxes of every other taxpayer in the municipality.

I also have looked at the Farmland Assessment Program, which I feel is good. There are places where it is abused, but every program is abused in certain areas. The potential growth in our area was touched on a while ago. Being the Tax Assessor in our township, I probably am a little closer to it than most people. We have the last five years added more than 300 homes plus garden apartments, of which we have quite a few in our municipality. This is quite a growth and it is really pushing the value of the land in our area. There is just no stop to it.

We farm approximately 500 acres. We own part of it and we rent part of it. We feel this program offers the only chance we have of staying in business, to either buy some of this property or keep on renting it. We have another large area that, not at the present time, but I believe will be turned over to the Rancocas Greenwood Reserve program, another 1800 acres. If it goes into this program, it will come again off the tax rolls of our municipality, again affecting everybody's taxes in our municipality.

My son is here to correct me. It is a good thing, I guess. Did I say 300 homes in the last five years? That is 300 homes per year. I'm sorry.

We also at the present time have on the drawing boards in our township projects to be developed, developments, right now of at least 1800 homes, and others not yet on the drawing board at the present time. My son serves on the Planning Board. At the present time, some of them are past the first stage and others are in all stages of production, which will again drastically cut into the farmland in our area because these buyers do not go in and buy land that is low and swampy; they buy the good farmland. That is what they want.

Another thing in our municipality which we feel is going to affect us tremendously is that we are just this year putting into effect a sewage system in the whole municipality which will be turned on within the next month or so.

In regard to Mr. West's statement this morning, I completely agree with him. There is one point I don't want to take issue with, but I have to clarify in my own mind. To do the whole state at one time would be my theory as well, but I think at the present time it is economically just out of the question, the way everything is in the State and the way the State has been cutting back on certain things.

We are a dairy farm operation and jug and sell our own milk at the farm. There is no other farm that I know of in the radius of five miles, probably further than that, that has been sold for farm purposes in the last five years. I don't know of any other property that has been sold for farm purposes. They are all going for development purposes. A lot of them are still being farmed because people that buy them can get the farmland assessment if they don't change the use of these properties.

I am sure you can see from my testimony that I am completely in favor of this whether or not our farm would be included in it. We certainly would like it to be, but it is up to the Steering Committee what land they accept. I think I would be just as

wholeheartedly for it if it were in some other county, wherever it might be. I feel we are just going to be too late if we don't act quickly. Thank you.

ASSEMBLYMAN STEWART: Thank you. Mr. Emmons, could you run over again your concerns about taking property off the tax rolls? What was that first example you gave?

MR. EMMONS: White's Bogs.

ASSEMBLYMAN STEWART: Tell me about it.

MR. EMMONS: It was the largest ratable we had on our books at that time. When Green Acres takes over, it takes it off the tax rolls. My feeling is that this program will leave all these ratables on our tax book. When the State buys under this program, if I understand it correctly, and I believe I do, the farmer will still continue paying taxes the same as he has before, and this will not take the ratables out of our township and affect our tax rate. This year our tax rate has gone up about a dollar.

ASSEMBLYMAN STEWART: All right. Any other questions?

ASSEMBLYMAN BAER: Just a couple. I am glad you clarified that point Mr. Stewart asked. I was confused about that too.

You speak about some 1800 units that already have been approved; is that it?

MR. EMMONS: No, on the drawing boards. Some of them have had preliminary approval.

ASSEMBLYMAN BAER: Where there are applications or something like that that are going to come before you?

MR. EMMONS: That's right.

ASSEMBLYMAN BAER: Roughly what kind of acreage is involved here with these 1800 units?

MR. EMMONS: I would say probably 400 acres, maybe 500 at the most.

ASSEMBLYMAN BAER: Five hundred acres. A lot of this then is one-third acre and quarter acres?

MR. EMMONS: Generally speaking, yes - single homes.

ASSEMBLYMAN BAER: Single family homes. I assume that these pressures aren't diminished by zoning to a higher density because you are not dealing with just a local market, but a regional market.

MR. EMMONS: Right.

ASSEMBLYMAN BAER: I would like to ask a question in terms of the Farmland Assessment Act and its effect here. Am I correct in recalling that under the Farmland Assessment Act if land goes into development, there is some return of that tax advantage going back through a period of time? Is that correct?

MR. EMMONS: Yes, sir, a three-year roll-back, the present year and two previous.

ASSEMBLYMAN BAER: Would it be a helpful device and a less costly device, either as a supplement to this or whatever, if the roll-back period were increased?

MR. EMMONS: Yes, I think it would.

ASSEMBLYMAN BAER: So it would tend to retard that decision to go into development.

MR. EMMONS: Yes.

ASSEMBLYMAN BAER: And rather than cost the government money, it might even provide a nominal amount of additional funds.

MR. EMMONS: There are some farmers, a small percent of them, who will not put their farms under farmland assessment because they are intending to sell and they don't want to pay that roll-back.

ASSEMBLYMAN BAER: I see. Thank you very much.

ASSEMBLYMAN STEWART: Thank you.

Mr. Newton Layton, a farmer, will be next.

NEWTON LAYTON: Thank you, Mr. Chairman and members of the Committee. I am Newton Layton, farmer from Salem County. I am also Clerk of our township and Secretary of the Planning Board.

I have come here today just to indicate the interest of farmers in my area in getting something like this bill passed. Another farmer and I were talking the other day and we soon mustered up a proposal of about 3,000 contiguous acres that would be interested in such a thing. My only hope is that you get this bill passed to get the pertinent data necessary in order that it can be all over the State rather than just in those four municipalities you are considering.

That is all I have to say. Thank you.

ASSEMBLYMAN STEWART: Any questions?

ASSEMBLYMAN BAER: There is one question I would like to ask you. I should have asked the previous witness, but I think you both have familiarity with the problems. My question is: Does the development of the land for single-family usage that has been occurring create a serious fiscal problem for the community in terms of school burdens and other burdens where you end up with a deficit in terms of a services-to-taxes ratio and is this a serious problem on the part of this thing?

MR. LAYTON: That is very true. We are in a little area where the minimum lot size is an acre. Even with the acre minimum, there is no way of figuring that each house in the development is going to pay for the schooling of the children who come out of that house. Therefore, it puts a burden on the rest of the owners.

Another reason I am interested is because most all the farms that have been sold lately have been for development purposes. I think it is high time we get on with the job of conserving land for agriculture.

ASSEMBLYMAN BAER: And these economic factors with the taxes and services are one of the major motivations of it.

MR. LAYTON: That is a part of it, yes.

ASSEMBLYMAN BAER: Thank you.

ASSEMBLYMAN STEWART: Thank you for coming.

Our next witness will be Mr. Lester Jones.

L E S T E R C. J O N E S: Thank you, members of the Committee, Mr. Chairman. My name is Lester C. Jones, and my address is Fostertown Road, Medford, New Jersey. Our family owns and operates a dairy farm, which has been in the family since colonial times. It is located in Lumberton Township, Burlington County.

I am President of Inter-State Milk Producers Cooperative, Southampton, Pennsylvania. I am a past-president of the New Jersey State Board of Agriculture, and am a member of the Board of Managers of the New Jersey Agriculture Experiment Station.

My appearance here is in behalf only of myself and my family. Some few years ago, the then Governor Cahill commissioned Secretary of Agriculture Phillip Alampi to appoint and chair a committee to chart the future of agriculture in New Jersey. Their report is a matter of record.

Governor Byrne has declared in favor of an experimental program modeled after the recommendations contained in the Blueprint report. The bill under consideration will make this rather limited trial possible.

Even knowing full well that agricultural open space, which so many of our citizens wish to see retained, would disappear in just a few generations, I had many reservations concerning the advisability of embarking on so vast a program as to buy the development rights of a million acres of prime agricultural land. The cost of such a program staggers me. I have also many other reservations and fears of going all-out on such a program.

The proposed program deserves your support. It is a very modest trial of the principles involved in the purchase of development rights. I regret that additional monies could not be allocated to such a program to give a more meaningful impact. Many of the details of the program have not as yet been revealed and are probably not firm at this time.

If agriculture is to be preserved, the climate for agriculture must remain favorable which also will probably require legislation. Many years ago our ancestors purchased these lands from the Indians. It has been in the care of our families for many generations. Many of us have developed a love of the soil which can only be understood by a tiller of that soil.

As we see prime agricultural land - the lifeblood of our nation, the land which has made this country of ours the best fed, most prosperous nation the world has ever known - become lost forever, we feel pangs of regret.

These feelings are felt by many of our more urban residents who, when they visit our area, express a desire that it be preserved. Time is running out. I applaud Governor Byrne's program of moving in an all too modest way to preserve our great heritage. I urge your support of Assembly Bill A-1334, and I heartily endorse every comment which my Assemblyman, George Barbour, made earlier to this committee.

ASSEMBLYMAN STEWART: Thank you, sir. Are there any questions from the Committee? The next speaker is Mr. Charles Grayson, Tax Assessor from Montgomery Township.

C H A R L E S G R A Y S O N: Assemblyman Stewart and Committee Members, I am Charles Grayson of Belle Mead, New Jersey, and speak as a Certified Tax Assessor of Montgomery Township, Somerset County, and presently serving my ninth year in said office. I presently serve as Chairman of the Advisory Farmland Committee to the Director Sidney Glaser of the State Division of Taxation and also serve as Chairman of the Farmland Committee of the Association of Municipal Assessors in New Jersey. However, I speak as a tax assessor with experience in farmland assessment and administration of the Farmland Assessment Act of 1964

and not on behalf of either committee. My remarks are solely my own views.

We are presently confronted with the most serious burden of taxation and tax crisis in the history of our State. Our present dilemma stems primarily from the problem of raising the necessary funds, at both the local and State levels, for the support of our statewide educational system. The extent of the amount of funds required is directly related to the present total student enrollment in our school system. The addition of those students presently attending private and parochial schools, if such came to pass, would further compound our current financial difficulties.

Recent Court decisions on T and E education mandate redistribution of State Aid, decreasing or cutting off aid to the more affluent districts and increasing aid to the less affluent districts, causing major tax increases in many districts at the local level to make up the lost State Aid.

It appears obvious the general public has reached the point that it cannot and will not bear very much more taxes. The Legislature will undoubtedly find some solution to satisfy the needs of our present budgets, though perhaps unpalatable to our citizenry. However, despite a possible decline in the birth rate, the continued increase in school enrollments in New Jersey through residential development statewide continues to increase our school budgets and the amount of tax dollars needed for education.

It cannot be denied that any State Program enacted for the preservation or conservation of open space, be it Green Acres, State Parks, Flood Plain Act, Wetlands Act, Open Space Act, Farmland Assessment Act or such other, in effect restricts the acreage of land available for development or other use. This restriction automatically effects a Statewide population control, if not at present then in the years and generations to come.

Prior to the advent of the Farmland Assessment Act of 1964, some 50-60,000 acres ^{of farmland} ^{per year} shifted to other uses, primarily due to excessive high real property tax in relation to farm income and primarily changing to development use with its negative effect on our State economy.

The Farmland Assessment Act, since becoming effective in 1965, has in the last eleven years done an outstanding job in reversing that trend.

Much has been said about the Act in recent years and it is presently subject to severe public criticism. Certain individuals have made and publicly released studies on the effects of the Act, which have received statewide front page headlines and broad coverage by the news media, and which have been accepted as gospel by both the public and the State Legislature.

Unfortunately, these studies are based primarily on hypothesis and not on official facts, figures and legally prescribed taxation procedures. The citizens of the State, and most importantly the State Legislature and the Governor, have not been told the truth about the true effects of the Farmland Assessment Act.

Much criticism is hurled about that the farmer-landowner is getting a major tax break through reduced assessments, and the resulting "tax shift" or "public subsidy" is an excessive tax burden on the rest of the taxpayers.

No one has bothered to scrutinize the statewide official facts and official tax figures of the 315-plus taxing districts with land subject to the Act. While criticizing the "tax shift" caused by the Act, no one has investigated the extent of the "tax shift" resulting from development and the serious additional burden of school tax dollars that must be borne by the rest of the taxpayers locally and statewide to make up the shortage of insufficient tax dollars derived from development to support the education of its children, not including municipal and County tax costs which add an even greater "tax shift".

I have completed an official tax study in my municipality comparing the true Farmland Assessment "tax shift" against the actual true "tax shift" caused by completed new development of \$70,000. range homes on the same land, deducting the actual tax derived from said homes from the actual tax dollars required to educate the school children actually attending Township schools from those homes. Lesser value homes would produce less tax dollars for school and other purposes.

My study, based on true official tax figures and information from the Township Board of Education, discloses that the development "tax shift" is in fact twenty (20) times greater than the "tax shift" caused by Farmland Assessment, without giving any consideration whatever to the additional development tax cost necessary for police and fire protection, road maintenance, etc., which also must be borne by the rest of the taxpayers. Herein lies the root of our present State-wide tax crisis.

Our State is fast reaching the point of population saturation that can be financially supported by our State citizenry in the manner to which we are accustomed. Our State is one of, if not the most, densely populated-per-square-mile States in the nation.

I respectfully call on the State Legislature and the Governor to seek immediately, on behalf of the citizens of this State, a study demanding the true official facts and official tax figures across the State on this very vital question of actual "tax shifts" on farmland versus development, which in truth is the real cause of our tax dilemma.

The necessary official information is by Law on file in the offices of every tax assessor and School Board across the State, as it is in mine. My office has never been contacted by anyone for the official figures on my Township.

We find we have a serious environmental quality problem which we cannot financially cope with, we have severe transportation problems, energy shortages, fuel shortages and increased food costs. All of these problems directly relate to population saturation within our State, which is becoming very detrimental to the health and well being of all of us and increasingly so as the years go by.

The Blue-print Report concept of purchase of development rights by the Public guarantees for perpetuity, or until the Public wishes to change it, a limited restriction on the extent of development within our State by Public control, continues much needed food production on our farms with taxpaying open space, prevents our environmental quality from becoming unbearable and causing our deaths, helps solve our future shortage problems within our State, and most of all sharply curtails our rapidly increasing burden of taxation, primarily due to the cost of education which directly relates to the extent of our State population growth.

Unfortunately, the Blueprint concept entails a massive total expenditure of public monies to implement it. However, it must also be immediately recognized that we taxpayers are bearing a rapidly increasing tax burden as a result of unrestricted development and population growth in our State. The cost of this tax burden, fast becoming prohibitive, will soon equal the cost of the Blueprint concept if it were enacted, and will guarantee nothing for the future as will the Blueprint concept.

The present Farmland Assessment Act doesnot guarantee permanency of farmland preservation for the future and in effect development control, as does the Blueprint concept.

A-1334, here under discussion, authorizes funding for a Pilot Project to implement the Blueprint concept in our State on a test basis. The \$5,000,000. project cost figure on a State per capita basis amounts to pennies per person to support this effort to solve our present and future tax, environmental, energy and food crisis. This project provides an opportunity to study the concept on a limited basis, to remedy its pitfalls and set down definitive guidelines for all to follow, and to make it workable that it may be expanded to apply to the entire State and be acceptable to the populace in the future.

I strongly support the Blueprint Concept of purchase of development rights by the Public and would prefer to see the program effective statewide on a mandatory basis as proposed in the Blueprint Report to really make it work. However, I donot believe the Public is sufficiently informed on the seriousness and truth of the situation to accept its cost at this time.

In the meantime, the proposed Pilot Program enables us to prepare a tried and proven program which will be acceptable to the public in the near future on a statewide mandatory basis.

I strongly endorse A-1334 and the Pilot Program and respectfully urge its immediate enactment into Law. Any prolonged delay will expand our current problems and worst of all, further compound our very serious tax crisis as the months and years go by.

The foregoing statements in no way imply population restriction by birth control, but do imply orderly control of the extent of housing development within our State. There are still millions of acres of open space throughout our Nation. Must everyone live in New Jersey to the extent of forcing an unbearable financial burden on all of us and creating an unhealthful and unlivable environment to the detriment and possible future demise of our citizenry ?

We are this year celebrating our Nation's Bicentennial. The Revolutionary War evolved from an unbearable burden of taxation on the citizenry of that time. As a result, a vast number of people were killed, in effect reducing population. I ask you, must history repeat itself 200 years later ? Must we once again kill each other off to solve our problems, or can we not solve them by far-sightedness and sane realization of the actual present day facts of life ?

Thank you for your time and the opportunity to address you. Assemblyman Stewart, this is my prepared statement. I gave you another sheet there which I would also like to discuss.

On this question of the cost of the Blueprint concept, I listened very closely today to everything everyone has said here, and no where in the press or in what I have heard here today, or at any other meeting I have been to here in the State House have I ever heard anyone mention or say what I would like to point out to you now.

I have here a case in point. These figures on this paper I will explain as I go along. This is an actual case, assuming that we had a development right concept, Blueprint concept, in effect, say, back in 1971, which might have been used by the State of New Jersey. Let me explain this sheet. These are true facts, now. This is a subject property in Montgomery Township of 18.591 acres of land which was purchased on December 20, 1971, by a builder. Since 1971, and actually starting in the year 1972, this builder fully developed and completed 16 homes on this 18.591 acres of land.

Now, the purchase price when he purchased this land back in 1971 which I think we could assume - no doubt if the state was interested in buying the development rights under such a Blueprint Program, I would assume that the \$51,125 figure which I show here, which was taken right off the deed

on the purchase of this property would be the figure, I would think, the state would be guided by in purchasing the development rights. If we divide this \$51,125 figure by the 18.591 acres, we would come up with \$2750 per acre as the sale price per acre. That is the total sale price.

Now, what is the farmland value? For the sake of discussion, I have used here a figure of \$500. I grant that if the State were taking development easement rights there would no doubt be appraisals, and of course the actual true farmland value would have to be determined. But for the sake of discussion I am using the figure of \$500. We deduct that farmland value off the \$2750, which leaves us a value of \$2250 per acre as the development value which the State would pay according to this proposal. If you take \$2250 times 18.591 acres that will give you \$41,831 as the total development right purchase price on these 18 acres. Now, some may say it is impossible to pay this, but let's see just what's happening this very minute across the State. Now, there is this question of the tax shift. I would welcome the opportunity, gentlemen, to meet with you to discuss in detail what I am saying here. I don't want to take a lot of time to explain what I mean by tax shift and the manner in which I am computing it. Very briefly, the development tax shift is taking the total amount of taxes derived from this total property, and taking the total number of children times the average cost per child to educate a child in Montgomery Township. The number of children times the average cost per child, the total number of tax dollars to be raised to educate the children off this 18.591 acres, and deducting from that the actual total tax dollars derived from these 16 homes. The difference between these two figures is what I am calling here the development tax shift.

Now, you will notice I also have a farmland assessment tax shift. Those two figures are the difference between the regular acreage value with the land not under farmland assessment, and as you are well aware there is a roll back tax. You roll it back from the value it is under farmland assessment to the regular high value. This figure here represents the roll back for years. This is the difference between the farmland assessment tax and the actual tax that would have been received.

Now, if you go on here, in the first year, 1972, two homes were built in the latter part of that year. Also in that particular year 9 children entered our schools in Montgomery Township from those two homes. Now, I have used in this chart 3 children from these schools because it was only part of the year, and the average cost per child in 1972 was \$1400 per year. Three times \$1400 is \$4200. Now, what I have done here is take the \$4200, which is the actual dollars in tax derived from that particular property, and the difference was \$3663.19. If we follow through 1973, and more homes were built and more children went to school. I believe in 1972 it went up to 20 children. In '74, '75 and '76 it has been about 28 children. As the homes were built -- in 1975 the homes were completely built and we were getting full taxes from those homes in 1975. In '76, the '76 figure is tentative because at the moment we are in a tax situation where we don't really know Montgomery Township. All our state aid has been cut off. None of those districts get state aid, so our tax rate is all sort of up in the air.

But assuming a tax rate of \$4.17, which is the best information I could get, and these are the figures -- The point I am trying to get across is the development concept purchase price would be \$41,830. As you will see here, and these are official tax figures right out of the tax book. Anyone is welcome to check this out. They are there. They are official. I sign the book. The county board of taxation certifies the book, and these are the figures, and this is the result of it, so the tax shift to date under development is \$63,025 as against a development right purchase price of \$41,830. So in the period from

1972 to 1976 we have spent half as much again on this 18 1/2 acres than we would have spent - or the taxpayers of this State would have spent - to purchase that land, and all that tax burden would have stopped there, because it can go on as many years as the public is going to leave it there. But as it stands today, 1976, you will see that we have the \$21,000 tax shift, and in 1977 I dare say it will go on. The figure may change somewhat, but the tax shift remains. This goes on and on and on indefinitely so long as there are homes and children in them.

Now, if you look at the bottom there, using current 1976 tax shift cost to taxpayers, if you look at that \$21,000 figure, you will notice in two years the tax shift, in two year's time on that development, has paid the cost that it would have cost the State to have purchased this back in 1971.

If we looked at this woodland question - and I am sure that you gentlemen are well aware that there is a question about woodland all over the State - it would take 30 years of woodland value tax shift - and that is what this middle column is, and that is assuming the land is woodland that is rock bottom value under farmland assessment - to equal the cost of the concept figure, and under the pre-application value, which was actually filed, it would take 35 years. Now, gentlemen, I have never heard this stated before. I really think it is very pertinent information.

I sincerely request, and I would welcome an opportunity to meet with you gentlemen to discuss this. I feel I am qualified to discuss the subject. Thank you.

ASSEMBLYMAN STEWART: Thank you very much. Are there any questions?

ASSEMBLYMAN BAER: Just a couple. I asked a previous witness about the roll over provision of the Farmland Assessment Act. Do you think it would be helpful if this were changed, so it would be a longer period of time rolled over.

MR. GRAYSON: I do not, definitely no, and I would be happy to explain the reason why. In the first place, if you study what takes place in the cases of development, I think in few instances you will find the farmer, the so-called farmer, as everybody refers to him, doing the actual development. The Farmland Assessment Act calls for the land to be kept under farmland use. The farmer has done exactly that. That is why he has gotten his farmland assessment reduction. He sells his property to another owner, and that owner has the same privilege as the farmer had to continue farming that land. The new owner in fact chooses to develop it or use it for some other use. I maintain that the farmer should not be penalized. He did not change that use. The owner or whoever changes the use actually is the one who should be penalized. Now, a new fellow comes in ---

ASSEMBLYMAN BAER: Can I interrupt just a moment? I am not too familiar with this. Are you telling me that the new owner is not liable for that roll over provision? It does not go with the property?

MR. GRAYSON: No. I beg your pardon. The roll back tax does not apply with the sale. It only applies when the use changes. The simple fact that someone sells property does not ---

ASSEMBLYMAN BAER: I understand, but if you have a farmer who farmed for "X" number of years and then sells the property to somebody else who then develops it, isn't that developer liable for the roll back?

MR. GRAYSON: That is what I was coming to. The developer or whoever the individual is who changes the use - and as you say it is the developer, and I agree - at that point, I meant that he is the one who is liable for the roll back tax. Actually, it is a lien against the property, and he is the owner of the property.

Now, the point I am coming to will explain why I am opposed to an increase in the roll back tax. If I were selling property, and let's assume that I am asking

\$3,000 an acre, and you were the developer buying the property, I think if you have any good common sense, I think you would think in the back of your head, first of all, how much roll back tax am I going to have to pay here when I change this use. Just for the sake of talking, let's say it can be \$100 an acre. It can even be \$1000 in some instances. I would think that you would think in your mind, if he is asking \$3,000 you are going to dicker with me and you know this is going to be reflected in the sale price. You know very well you are going to have to loose that amount of money. You are not going to pay the price that the farmer is asking, and in effect what is going to happen, I feel, is that you are going to decrease land value.

Now, the next question is, how many sales or actual sales in any given district actually take place in a given year. I know in my particular instance, in my township, maybe, I don't know, there might be a half a dozen pieces of land that come in this category in a year. I maintain that you are going to decrease the actual sale value of these properties. Why do I say I am opposed to this?

ASSEMBLYMAN BAER: We can get back to that. I assume that to some degree the Farmland Assessment Act decreases value by the same virtue, because there is that potential lien against it, at least as far as that portion of value that would accrue to the land because of development potential, which would to some degree offset the roll back, but I am not sure that I understand how one could expect under a Farmland Assessment Act or an increase in the roll back of it to have the cake and eat it too. I don't see how you could effectively do what the Farmland Assessment Act intends to do without having some impact on the value, because in effect you are reducing its attractiveness to development and if you make it more effective, I assume it would have a greater impact. Does that nonetheless serve the purpose you are talking about, trying to retard the change of use?

MR. GRAYSON: Assemblyman, I have not finished my explanation. I will then be glad to answer your questions. I maintain that the value now -- many districts across the State, in fact all of them at one time or another have revaluations. When we have these revaluations, the new values are based on sales studies, the sales which take place in a given district. Now, when we have these sales studies, and when we come up with an average value of comparable properties, we may be talking, when we talk roll back, about 100 acres or 200 acres. In my case, in my township I have about approximately 12,000 acres.

Now, even if you have 12,000 acres and even if the drop is only \$100 an acre in sale price, you are reducing your tax base. Do you follow me? If you lower the value per acre, and you come up with the sales study, what the land is really worth, you would then apply that to the comparable properties across the town, and your total tax base is going to be reduced because of this. Your school costs and your taxes to be raised are not going to be changed. That has nothing to do with the valuation put on the property. Your tax base value is going to go down not only on this 100 or 200 acres, where your roll back applies, which is where you are going to tack on this additional roll back tax, you are going to get hit on this whole 12,000 acres to a greater or lesser degree according to the sale price. You are going to drop your tax base, and your tax dollars to be raised is going to remain the same and possibly increase, and as a result your tax rate is going to increase and the cure may very well become worse than the disease. You are trying to cure one thing, and in effect, by so doing, all of the taxpayers are going to be penalized even further than they are today. This is my reason. You have to understand essential procedures.

ASSEMBLYMAN BAER: I understand your answer, and I understand how the comparables work in tax assessment and equalization. One other question I would like to ask, and I

think that will be my last question. I notice that in a couple places in your statement you have spoken about retarding development of agricultural land. You speak about the State reaching the point of population saturation, and toward the bottom of the page your next to the last paragraph on page three relates very substantially to the fiscal problems that you face, as demonstrated on your sheet.

Now, taking into account, if you followed it, some of the recent information that has been published in the New York Times and elsewhere, showing quite paradoxically that those states that are having the greatest population increases in this country are also those who seem to be having the healthiest economy, and those with the lowest population increases are having very serious economic problems, are you certain that in trying to hold the population down itself, not just in terms of agricultural land, but land generally, we are attacking the core of the problem? Or is this problem that you are talking about very much related to the whole question of financing schools and fiscal zoning and a lot of other things that have been talked about in the Legislature for a long time. Is this the only way of dealing with it, in other words?

MR. GRAYSON: Well, Assemblyman, in my statement here - and that was the reason I put that in there; you raised a very good question, and that is why I put it in here - I call on the Legislature and the Governor to seek an answer to the very question that you are raising. I admit I am citing here Montgomery Township, and that is why I can't speak for other districts throughout the State, although I do have a lot of knowledge on that. That is why I am asking you to look at this problem, and to look at it in relationship to the point I am raising here on this question of tax shift.

Now, I know everyone has a Constitutional right to live, and I am not challenging that. On the other hand, we only have so much money in our pocketbooks and we can go just so far in what we are able to support. We do have the question of equalizing the distribution of our tax load throughout our entire state with all our taxpayers. But whether you are concerned with distributing \$1 billion is one thing, and you certainly have a problem with that, but suddenly you have \$2 billion, and as the total figure grows one problem is to equalize distribution and what you actually have to raise. But my point here is, even after you come up with a solution to distribute it, this figure is continually growing and it is being shifted over to everybody else, and they just can't bear this burden. I feel we are reaching a saturation point where we just can't stand it.

Now, I am not saying you are going to stop development forever. That is for the people. The people would put this concept into effect and the people, I would assume, would have the same privilege to take it away. But we are going to put a control on this thing, an orderly control by the public itself, and not leave it up to individuals. In other words, as it stands today, an individual can sell his land or not sell it, as he sees fit. Here you are putting a damper on it, and he cannot sell. He can sell his rights - that's the point here. He can sell his rights. You are not taking his money away from him, but he cannot put houses on this land, which would mean people. This is my point, and this is the reason we have a big tax problem.

ASSEMBLYMAN BAER: Thank you, no further questions.

ASSEMBLYMAN STEWART: Mr. Sidney Willis is next.

S I D N E Y W I L L I S: Chairman Stewart, members of the Committee, my name is Sidney Willis, Assistant Commissioner for Housing and Planning in the Department of Community Affairs. The Department, in addition to its other functions, houses the State Planning Agency, and we are in favor and supportive of the agricultural preservation program outlined to you by Secretary Alampi and Commissioner Bardin this morning. We support

them in pursuing the concept of farmland preservation through this specific program.

First, we endorse the concept of farmland preservation. In our view it is important to preserve open space for a variety of human, environmental, and other reasons. We need breaks in the present patterns of development. We need to limit the suburban sprawl. We need to provide areas where the air and water can be cleansed. We believe that farming is important as a part of the overall culture and lifestyle of the people of New Jersey, and that it is necessary to take some bold steps to preserve it.

Secondly, we support the concept of state participation in this. We think that the nature of the private market tends to accelerate the conversion of farmland into other and more intensive uses. While these uses are important and necessary, we need farmland too. This means that the State will have to actively get involved. Secretary Alampi, I'm sure, has pointed out to you that we have lost over 600,000 acres of farmland to development since 1960.

Thirdly, we support this specific project. We think that it is important to test out the concept of development easements, as we think it is important to explore other concepts, such as the transfer of development rights. We do not believe that there is any way to preserve farmland without some form of compensation. We do not think that the land can be permanently zoned into an agricultural preserve, nor do we think that farmers will accept restrictions on the sale of their land without some form of equitable compensation.

Fourth, we endorse the specific location. The Burlington County area has been under intense development pressures. Without some kind of preservation effort, it will resemble soon other recently suburbanized areas. Farmland preservation is compatible with our existing development planning in our Department, and we feel that the State should move ahead with this experimental project as rapidly as possible.

I would like to address specifically an issue that I know is of concern to members of your committee which were raised here earlier in the day, and that is the question of the impact on housing. I believe and our Department believes that there is more than enough land suitable for housing in the Philadelphia-Camden region, as indeed in the State as a whole. The issue of balanced housing is not resolved by indiscriminately opening land on the metropolitan fringe for housing development. What is needed is, first, using available land in a balanced way; that is, with a fair share of land made available for development for those in the low and moderate income categories. And, two, in using all land which is to be developed, and that is a great deal, in a more efficient way that is at higher densities. And, third, in local zoning, which is designed to realistically accommodate the true housing needs of people in the State, we believe that we can do all these while still preserving farmland in New Jersey.

Some years ago, our Division of State and Regional Planning conducted a statewide analysis at that time, identifying, so far as was possible by the information available at that time, the areas that needed to be preserved for reasons of environmental purposes, large portions of various sectors of the State tentatively set aside, and providing or projecting the housing and land requirements for commerce and industry for a population far exceeding any projections that are presently at hand for the population in the State of New Jersey. And within that there was no question in my mind that a half a million to a million acres of farmland could still be preserved and we could accommodate all the growth and development necessary in New Jersey, and not at excessive densities, but at densities which were more compatible to an urban state, and not at the densities of the wasteful use of land that we practically see in very much of the suburban areas of our State.

So I think that the question of housing being adversely impacted by the preservation of agriculture is a false one, and that we can do both, and we should do both. We endorse the principle of this demonstration project, and like everyone we would have preferred a larger project but nonetheless this is a beginning, and we certainly need a beginning as soon as possible and now rather than later.

I would be very happy to try to answer any questions.

ASSEMBLYMAN STEWART: I have none.

ASSEMBLYMAN KOZLOSKI: I have one. Mr. Willis, did your Department have any input with Secretary Alampi's proposal as we see it here?

MR. WILLIS: Yes, members of our Planning Division did work with the Department of Agriculture and the Governor's counsel staff in suggesting the areas that were proposed in Burlington County, as illustrative of the types of areas in the State that we would hope could ultimately be preserved in agriculture.

ASSEMBLYMAN KOZLOSKI: At that particular time, then, did you look at other areas that could have been considered as part of this project?

MR. WILLIS: I would like to answer that question affirmatively. I did not, however, personally conduct those studies. I merely know that the members of our planning staff were a part of the group that looked at the various areas, and I am certain that there was more than one considered, yes.

ASSEMBLYMAN KOZLOSKI: But you don't know any direct areas?

MR. WILLIS: No, but I could get that information for you.

ASSEMBLYMAN KOZLOSKI: I would like to know just what other areas they were considering.

MR. WILLIS: Generally, if I may take a guess at it, the major agricultural areas in the State, obviously, are those in the portions of Burlington County in the west, and to the south into Salem, and those portions of Sussex and Warren Counties, and then the large rapidly diminishing agricultural areas in central New Jersey. I can imagine that there is too much pressure in central New Jersey to try this, and it must have come down - if I might anticipate what the study showed - to a portion of Sussex or Warren or a portion of Burlington, Camden, Gloucester, and then on south. I do also know that one consideration was whether to attempt the experiment on the fringe of a growing metropolitan region, or to select an area in the heart of existing agricultural land not currently under immediate pressure. And the option was selected of taking the more difficult, because we have to prove that the thing can work in an area where the pressures that are characteristic of New Jersey are actually in effect, and that would certainly be that portion of Burlington.

ASSEMBLYMAN KOZLOSKI: Thank you.

ASSEMBLYMAN BAER: I would like to ask you a few questions because of your planning expertise. First of all, in a limited program such as this, since that which can be acquired is basically so small in contrast to the regional pressures for development, am I correct in assuming that this will basically not stop or reduce the development in the area but merely alter it so that the particular land with the development rights, which is acquired, is not developed, but those developers that are seeking to develop in response to market pressures, et cetera, will merely develop nearby what they would have developed anyway, a mile or two, or whatever the distance is.

MR. WILLIS: I believe that is basically true, and would be true even if there were a larger experiment.

ASSEMBLYMAN BAER: Right. So this has to be justified basically not as a first step to accomplishing it, but as an experiment or demonstration, as has been

described in terms of producing information that might be helpful in designing a major program if we were to go into a major program, a program whose scope in preserving land would be large enough that it would insure that there would be a significant impact on the preservation of agricultural land and not merely a saving of one farm while another one went under.

MR. WILLIS: Yes. I thought you were headed in that direction in terms of other objectives that have perhaps been suggested as the purpose for this program, and that would be those which tend to try to limit and control growth and population. I do not believe that that is an objective of the farmland preservation program, whether it be a demonstration or a much larger effort. The principle objective is the preservation of land in agriculture as part of the future of growth and development in New Jersey.

ASSEMBLYMAN BAER: I understand that to be the objectives of those who developed it, even though there may be others who ---

MR. WILLIS: I think we ought to put that to rest.

ASSEMBLYMAN BAER: That's right. But since its main function is as a private program to develop information that would be useful for a larger program, and I have heard this mentioned many times, I am a little bit puzzled, and I wonder if you could enlighten me on what specific facts are sought to be developed from this pilot program that an elaborate planning study or market study or surveys of farmers and other techniques that would involve a lot of studying and a lot of planning, but not a major investment of capital-- In other words, that kind of thing might be measured in an undertaking of \$100,000 or a multiple of \$100,000 as a major study. I am trying to understand what it is we expect to learn as a State from putting this into effect, specifically that we could not learn otherwise.

MR. WILLIS: I may be the wrong person to ask that question of, but I do understand that the demonstration will be carried on concurrently with some research and other more hypothetical analysis of the kinds of problems that will arise. But certainly, initially, I can think of several questions which cannot be answered by planning studies. The first and most important, it would seem to me, would be what would be the reaction of those who are offered a specific development right price for their land, as to whether they would accept that or whether their thinking would be more to hold for future sale of the entire farm, or whether they would feel that those prices are acceptable to them, and whether the State can actually in this voluntary approach hope to acquire development rights without more authority and power from the Legislature.

I think that is a very crucial question, and frankly one can study and interview only so far, and without testing there is no way we can really answer that. Secondly, and I do understand this as a part of the project is, to what degree will those who are concerned and active in agriculture seeing around them development rights being acquired feel more confident to invest in equipment and farming on their own land without the State acquiring the development rights and be able to hold with the knowledge that there are others that are absolutely committed to agricultural use in their immediate area. I think that is important, and that might help us to determine how far we can go with a limited amount of money in terms of encouraging people in agriculture, like the young man who was here this morning, to stay and to continue in that field. That again is something that we could interview to our heart's content, and never really know.

I am sure there are other types of questions of that sort. I do believe that we should not waste funds on the demonstration when we might be able to answer some of the questions without actually acquiring, but I am sure that without a true acquisition

program, with the offers being made and accepted in a bona fide situation, we cannot hope to know all the answers that we will need.

ASSEMBLYMAN BAER: Thank you. That is a very helpful answer to me. I would like to ask whether you feel it is important that we adopt standards to insure that those who make the selection of land are bound by objective criteria in selecting not only that land which is agriculturally most important to save, but also that land in which there is the greatest development pressure, and what I am getting at is even in a region or a municipality where there is a lot of development pressure, the particular sight involved and the particular farm involved may be far more attractive or less attractive to developers than another one or a particular end of it might be. I am sure there will be inevitable political pressures and other sorts of human pressures developing when it comes to slicing the pie, so to speak. How important do you feel it is that we have standards that very much restrict the latitude of those who make the approvals of these various purchases of development rights to that which is most meaningful?

MR. WILLIS: I would like to suggest that the standards be as minimum as possible for this reason: I think that it is not at all clear that the notion is to try to cut off at the pass a specific development that might be proceeding. I believe that over the time of the demonstration the staff will be able to ascertain those lands which are immediately in a threatened development stage and might very well feel that since the values at that point are rising rapidly that they should avoid that specific area. I am suggesting that we ought to retain the maximum flexibility possible for those people who are conducting study, and then rely on an intensive post-audit of what decisions were made, what completions were reached, and what was the husbandry of the amount of money that was set aside for purposes of the project.

I think to try to anticipate the situations that are likely to arise in individual purchases and on individual tracts of land, and to write standards for those which would be other than the general standards to always bear in mind as the purposes of the the project, and if there is a full and formal report following the project to the Legislature and to the public, which is, as I understand it, intended to be, that that is the best protection we can have for wise administration of this program.

ASSEMBLYMAN BAER: I would like to ask you whether you feel the provision - which apparently is not spelled out - which is mentioned in a fact sheet here, and that is the provision that the farmer can buy back the land if the farmer is not continuing it for agricultural purposes, do you think that provision essentially is in conflict with the purposes of the Act, because it does not insure that the land will not be developed. It only, from one point of view, would provide an interest free loan to the farmer on the development rights until the farmer reached the point where at his stage in life, or for whatever purposes, he decided to sell?

MR. WILLIS: I frankly do not think much of that proposal. As a planner I am afraid I am aware, as much as anybody, of the hazards of trying to look too far ahead. I think if we were to set up a situation where the demonstration was being carried out but everyone knew that if it failed there would be some substantial advantage to the initial land owner in being able to work with the State's Acquisition Fund for a long period of time and then re-acquire his land in a different market with the monies being worth considerably less, that that would undermine the basic notion of permanent State acquisition of development rights and might very well make the transactions not truly representative of the kind of transaction we would expect to see in the future if this program does work and if larger amounts of money can be then placed in it. So we think

we should retain the option at the State level of deciding at the end of the project what one must do if one has to take some action with regard to the land that was acquired. I choose to enter the demonstration with a feeling of confidence that it will work and it will be expanded, not with an attitude that we will all go back some three to five to ten years later.

ASSEMBLYMAN BAER: If I understand you correctly, what you are suggesting is you feel that that should not be an action to be exercised at the will of the farmer but only if the State should wish to permit such an action in the future?

MR. WILLIS: Yes, yes, and certainly some adjustment for what has happened to the values during the period of time.

ASSEMBLYMAN BAER: Let me turn that around. I know I have been asking you a few questions, and I think this is kind of important. I just want to explore that a little bit further. If it turns out that this experiment is not followed up, either because it does not work out or because the Legislature chooses not to go ahead with the larger financial commitments that would ultimately flow, the investment of capital in the thing above and beyond the administrative expenses would nonetheless still be tied up. Are you suggesting or do you think it would be a desirable thing to give the State, even if this wasn't the essence of your suggestion, the authority to, if the thing does not go well, after a given period of time or whatever, essentially return the money -- I mean to essentially take back the money from the farmer with the idea not having gone further, with the farmer having for a given period of time benefitted, as I say, from essentially an interest free loan, with the farmer at least having had the protection of development during that interim? What if the idea is abandoned, and there is no public interest in continuing that investment, could that be an option?

MR. WILLIS: Well, I certainly think that could be an option, but I would like to state that by that you mean the State Legislature could decide what to do at that point in time and not now. That could certainly be a reasonable option in the future, but the statement is not one to be determined at this point.

ASSEMBLYMAN BAER: But you think the State should preserve that option by not handling the thing at this time so that contractually its hands are tied?

MR. WILLIS: I am not certain I see all the ramifications of this, but I think what I want to say is that that could then be a new contract at some point in the future. I don't think we should destroy or put any false hopes or any hidden calculations in the negotiation on what the value of the development rights are actually going to be, and whether or not the farmer will voluntarily sell them to the State. If we give them other things to be thinking about, at that time we may undermine our very demonstration.

ASSEMBLYMAN BAER: My last question is this - it is of a less technical nature but I know you have been an observer of government in the State for a long time, and a participant, and you have seen many bond issues of many sorts come and go - I expressed earlier a question about the public view of the Green Acres bond issue that they approved, and whether there is a serious risk, in that, if the public did not perceive that in approving that Green Acres bond issue they were permitting funds from that to go to farmers who are continuing to practice agriculture as opposed to going to open space for reservoirs or parks or whatever, that the public might have a negative reaction either because of a feeling of being misled or something of that sort that could affect the credibility of bond issues, such as we are finding the credibility of many other things in government undermined by distrust, and perhaps affect the credibility and the saleability of future Green Acre provisions, since, as I say, it was certainly not generally

understood by the public, leaving aside the technical question as to whether legally an interpretation like this holds up, since it was not generally understood by the public that the monies from this source were going to go for this purpose.

MR. WILLIS: I agree that it may not have been specifically understood, but I do feel that the public equates the Green Acres Program with the whole broad movement to save open space and to some way shape the metropolitan area and give some limited form to it, to preserve New Jersey's rural character, and that must include agriculture. I think that some are tied up with the notion of acquisition of land for specific, direct public recreation purposes, and that all of that was what was in the public's mind when they adopted these various bond issues. I am not able to base that on any study or any research or anything else except my own interest, as you have pointed out, in the various Green Acres bond issues going back more than a decade.

Now, I believe that the materials that I saw at that time, and some of which I helped prepare, tended to talk in terms of the need to save open space, and I do not believe our hands are tied as to how we would do that, nor would the public feel that they were misled in trying a new way to accomplish that larger purpose. I would also add that there are many publicly acquired open spaces that are not generally available and open to the public, and they are viewed, as well, as part of the public trust, even though they are not available to the public directly.

ASSEMBLYMAN BAER: Thank you very much.

ASSEMBLYMAN STEWART: Thank you. That will be all. Our next speaker is Mr. Bill Beren, League for Conservation Legislation.

W I L L I A M B E R E N: Thank you, Mr. Chairman and members of the Committee.

For the record, my name is William Beren. I am the Legislative Agent for the League for Conservation Legislation, a citizens' lobby concerned about the quality of environment in New Jersey.

The League's interest in the proposed bill here is of a triple nature. As an environmental organization which has consistently supported Green Acres funds, we are concerned about the use of Green Acres money. We are also concerned about the future of open space in New Jersey and we have a moral commitment, at least, to the future of agriculture in the State. As consumers, we are interested also in the preservation of agriculture and the possibility of continuing to get fresh vegetables and other food-stuffs grown and produced right here instead of having them shipped from all over the country.

As a result, we, in principle, support the doctrine of the State purchase of development rights to preserve farmland in New Jersey. We see it as one option, one way of permanently guaranteeing that farmland remains here. We do not see it as the only way. We hope the State will actively look into other options, such as transfer development rights and zoning. But, as I said, we feel that the State purchase through easements of development rights is one way to do it.

As to the question of using Green Acres funds for this purpose, we have no problem with it as long as we are talking about a \$5 million pilot project. We would not like to see Green Acres used entirely for this project. We think it is all right to use a small portion of the funds for a pilot project, but would not like to see the entire Blueprint Commission plan being funded through Green Acres. This would be a misapplication of the funds.

It is rather hard for me to come and discuss this bill with you today because we have had no information provided, outside of the legislation. I understand Assemblyman Baer has been referring to a fact sheet which has been distributed. We have not seen it. We are not that clear on exactly what the mechanism of such an action would be and how it would take place. The legislation, itself, is awfully skimpy, merely giving an appropriation of \$5 million to the Commissioner of Environmental Protection for purchase of general Green Acres lands. The bill, itself, doesn't even mention purchase of farmlands.

We agree with Assemblyman Baer's comments about safeguarding the image of Green Acres funds. Green Acres has traditionally been a popular bond issue in New Jersey. There is the example now of the Middlesex County overpayment of money for purchase of local Green Acres property. And we definitely see the need for safeguarding Green Acres monies from overpayment, from corrupt activities, and you name it.

We would like to see a bit more controls put on the use of the money, specifically stating that the \$5 million is for farmland acquisition as a pilot project, specifying the areas in which the purchases will occur, and some of the other safeguards that Assemblyman Baer has been bringing out.

His analogy to the types of claims that were made for the State Lottery is particularly appropriate here since I understand from Byron's statement there is a fact sheet making all kinds of promises about whether land can be returned. The Commissioner of Environmental Protection has been quoted in the paper as saying on the farmland acquired the State will try to have demonstration farms that will be open to the public. There do seem to be a lot of promises floating around about what this \$5 million will actually accomplish and we hope that the Committee will follow through in other hearings and through Committee processes really tie down exactly what is to be expected from this \$5 million appropriation and give us, other environmental groups, citizen groups, and farmers, themselves, a chance to look at the specific recommendations being made and the specific proposal rather than

just a general statement that we agree with the purpose and the intent of the act, and here is \$5 million - do what you want with it. Thank you very much.

ASSEMBLYMAN STEWART: Thank you, Mr. Beren. I have asked this question a couple of times and Byron has asked it a couple of times: Do you feel that there should be additional legislation possibly or that this bill should be amended to get into some of the specifics? I took from what you said that you do feel that we ought not to get involved in just, for lack of a better word, giving a blank check and saying, "okay, here it is; go out and prove your thing." Is it your opinion that we should see some of these regulations that are being kicked around in the press actually put into legislative form?

MR. BEREN: Yes. I can't make a recommendation specifically now as to exactly what should be in the legislation. But we definitely feel that it should be a tighter piece of legislation and exactly state the parameters and what is to be expected from this appropriation.

ASSEMBLYMAN STEWART: I don't mean to ask you for that now. But if you do have some specific suggestions at a later date that you want to make either a part of the record or probably more effectively just get to Mike Catania so we can have the benefit of any suggestions you might have how we can make this as tight as possible, it would be appreciated.

Byron, do you any any questions?

ASSEMBLYMAN BEAR: I would like to suggest that Mr. Catania make available to Mr. Beren a copy of this question and answer sheet. I would like to ask just for the record who is putting out this sheet because it is not totally clear to me as I look at it.

MR. CATANIA: That was put out by the Department of Agriculture. That was prepared for a series of meetings they have been holding with local officials and land owners in the project area to familiarize them with some of the guidelines by which the program might be implemented.

ASSEMBLYMAN BAER: It has nobody's name on it.

ASSEMBLYMAN STEWART: Could we see that this is made part of the hearing record?

MR. CATANIA: That is going to be put into the hearing record.

ASSEMBLYMAN STEWART: Then when we look at it, we will know which document we are talking about.

Thank you very much, Mr. Beren.

I would like to thank you and all the others who are on the tail end of the list for being so patient. We still have, I believe, Lois Hoffmann from the League of Women Voters. As far as I know, she will be the last person to testify. If there is anyone else, please see Mr. Catania and give him your name.

L O I S H O F F M A N N: I am Lois Hoffmann, Director of the League of Women Voters of New Jersey with responsibility for the Land Use portfolio. In April, 1975, the League adopted a position of support for state measures to preserve farmland for farm use. I appreciate the opportunity to testify in favor of Assembly Bill 1334 which appropriates five million dollars of "Green Acres" money for a demonstration project in farmland preservation.

When the League began its study of farmland in New Jersey, I think some of our members may have viewed it as an exercise in nostalgia, but when we finished, we all had learned a new appreciation for the position of agriculture in New Jersey. From September of 1974 to April of 1975, farmland preservation was a major consensus and study item in the League's program. We did not vote to support any particular preservation plan as the

"best" one, but we did agree on several criteria for such a plan. To be effective, we believe such a plan should first be part of a state master plan for land use, secondly it should be a long-range plan to assure its relative permanence, and it should be mandatory throughout the state. It is also our belief that the use of development rights or easements should be the foundation of such a plan.

Since the demonstration project does not rest on a statewide master plan, is not mandatory and is not statewide in scope, you may wonder why the League is supporting the appropriation of money for the project. It is very simple. New Jersey's financial problems seem to mitigate against any implementation of any large statewide plan at this time. In addition, we believe that there are real questions that need to be answered before we invest in a program such as the whole Blueprint Plan. Hopefully, the demonstration project will answer those questions.

Why should New Jersey concern itself with preserving farmland? One gentleman from northern New Jersey suggested to me that it would be better to just become one large urban state and let Iowa worry about farming. The League believes there are several reasons why this should not happen.

First of all, as the world's population continues to grow at an ever-increasing rate, the loss of any arable land is serious. While New Jersey corn and tomatoes may not feed the starving of Africa and Asia, they do feed us. If middlewestern states must take up the production of garden produce and reduce their production of grains, it would have a serious effect on the world's food supply. Since agricultural products are a major part of American exports, any diminishing of the supply available for export would have serious economic consequences for the U.S. balance of payments.

Secondly, agriculture's contribution to New Jersey's economy is considerable. I have the figure of \$2.1 billion from the Capital Needs Report, but I noticed that Secretary Alampi used a figure of \$3 billion. Whichever figure you use, I am not sure we have an available substitute for that. Yet, without some way of insuring a minimum agricultural land base, how can we expect to hold the other industry that serves it? If there is a decreasing asparagus crop to can, should we be surprised when a processor decides to plan his future elsewhere? How can anyone honestly express surprise at the closing of the Seabrook Farms plant, when the sale of their thousands of acres just a few years ago was like a road sign for the future? If we don't want to lose a two billion dollar industry, we must act soon.

As I listened to the gentleman from the Farm Bureau list some of the other problems of New Jersey agriculture, they all follow the same path. If we don't have a minimum land base to support agriculture, government cannot realistically deal with those problems.

Of course, there are very real questions as to just how much development our land can support. Increased development and paving over have increased run off and flooding in many areas. Over-use of the land can result in the contamination of water supply, and both industry and housing require an adequate water supply. There has been much controversy over New Jersey's air pollution standards. If we become a developed urban center with no green space to cleanse our air, we won't meet anyone's air pollution standards. Farmland has a great plus in that it contributes to a clean environment while it also contributes tax dollars.

I might add here this is the first testimony I have ever prepared for the New Jersey State Legislature. So I didn't put anything in about the spiritual and aesthetic values because I thought they weren't practical. But since Mr. Bardin mentioned them, I would like to say that we second those also.

In two decades, New Jersey has lost nearly 700,000 acres or over 40 percent of its

farmland to development. If we are to lose another 700,000 by the year 2000, we must be prepared for some serious consequences. The demonstration project by itself will obviously not solve the problem. However, it can perhaps tell us whether this type of plan is the one to use throughout the state. It is voluntary. No farmer is required to participate who does not wish to. Farmers, in fact, will have the ultimate decision-making power. If they decide not to participate, there will be no project.

Many questions about the Blueprint Commission Plan can only be answered by seeing the plan in operation. What will be the effect on vacant land remaining outside a preserve? Will it skyrocket in cost and thereby further inflate the cost of housing? Or will development pressures be eased by stabilizing growth and allowing communities to make more certain plans for the future? How will the administration of the plan work out in practice? Can the farmer and state appraisers agree on the best price for the easements?

The League of Women Voters of New Jersey urges your support for A 1334. The money would contribute to preserving tax-paying open space; it could be the beginning of a movement to preserve an important New Jersey industry; and, Mr. Baer, I think it would contribute to a positive picture of the Assembly as a body anxious to solve problems of the future, but moving in a cautious way to spend the taxpayers' money.

ASSEMBLYMAN STEWART: Thank you very much. You said this was your first time to testify here. I would suggest the next time the League sends you down, if you call us ahead of time, you won't have to sit here all day and wait. I apologize to you for being the last one on the list.

MS. HOFFMANN: One thing I have learned if I am going to testify is to remember to call next time in advance. But I did enjoy listening to the others testify.

ASSEMBLYMAN STEWART: I found your talk very helpful. Any questions?

ASSEMBLYMAN BAER: I have no questions, but just a comment on the disparity of the figures. In New Jersey, we are not comfortable unless we have at least a half a billion dollar spread between figures. It is part of the pattern that we have now.

ASSEMBLYMAN STEWART: There being no further witnesses, we will adjourn the public hearing for today. The record will be open for an additional two weeks for any further correspondence anyone may want to have entered into the record. We will be meeting again on this subject with the various principals involved - some of you who have offered to meet with us - and also with Secretary Alampi and Commissioner Bardin. Thank you very much.

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ASSEMBLYMAN H. DONALD STEWART (Chairman): The meeting will come to order please. We have all five of the Committee members present: Assemblymen Barry, Baer, Bassano, Kozloski and Stewart.

At the beginning of today's meeting, we will continue with some of the testimony from the public hearing of February 23rd. The Committee members have some questions to address to Secretary Alampi. Then, if time permits, should anyone else have some further testimony to add to the record, we would be happy to hear it. Also, if time permits, we would then like to revert to a work session where we can kick around some of the provisions of the bill, itself, and possibly come up with some recommendations from the Committee.

The first order of business, I guess, is to give Secretary Alampi the floor and, if he has some additional information, we would be happy to hear it.

PHILIP ALAMPI: Thank you very much, Mr. Chairman. We have two prepared fact sheets: one relates to the questions raised at the hearing on February 23rd and our answers to the questions; the other is the guidelines, which this Committee has correctly requested, that we would hope to take into consideration as we acquire the development easements on a maximum amount of prime acreage at the minimum cost to the State.

Perhaps you would want to have the questions raised at the hearing first and then we will go into the suggested guidelines. You have, as I understand it, before you these questions. Without my reading them, I think we will just follow through with the statement and then the facts.

If the Demonstration Project fails, all further efforts to preserve farmland will be abandoned. The facts are these: If the project fails, the effects would be far less catastrophic than would be an unsuccessful effort involving three-quarters of a million to a million acres. If the project fails, other alternatives for preserving farmlands are available: For example, a mandated program for acquiring development easements; purchases of farmland in fee simple; or the use of Transfer of Development Rights.

I don't know how you want to handle this, Mr. Chairman, whether you want to take each one of those statements and follow through or whether you want to go through all of them and then ask questions.

ASSEMBLYMAN STEWART: I am not familiar with the sheet. Let me look at the sheet first. I think when we left off last week, Assemblyman Baer was in the process of asking some questions. Byron, do you want to continue with some of the questions you have or would you rather have Secretary Alampi continue with this?

ASSEMBLYMAN BAER: I think I would prefer to have Secretary Alampi go ahead and then ask questions later. Maybe he will answer some of them.

ASSEMBLYMAN STEWART: Why don't you summarize then some of the key questions and then I think it might save some time if you went over to the guidelines you have drawn up. Then, if we have some questions, we will continue at that point.

SECRETARY ALAMPI: That will be fine. We will go through it quite rapidly then because I think many of these are self-explanatory.

The statement was made that the demonstration project is poorly planned and conceived. We don't agree with that at all because we have possession of those documents indicating the depth of the planning and research efforts by our Department and the Department of Environmental Protection.

The statement was made that easements can be acquired on only 2,500 acres for the \$5 million. Well, we don't know this until we actually have the offers. There are some who think we might go higher than that. It has even been suggested that we might get 6,000 to 7,500 acres. I am not sure we can go that high, but I know it will not be the 10,000 acres by a long shot.

Why were these four chosen? We considered 12 potential areas and you can see them on the map over there and, frankly, it was just a question of money. To have gone to the original area around 4, it would have run about \$35 million. We originally asked for \$15 million and we got \$5. The four townships were chosen because they are a reasonable fascimile of the typical New Jersey farm area: that which is real rural, that which is against the urban-pressure area, and that which is in between.

ASSEMBLYMAN KOZLOSKI: Excuse me. On the 4, I see a 4-A, I think. I can't see a 4.

SECRETARY ALAMPI: Will you go over that, Chuck?

MR. CHARLES E. LAMBERT: 4-A is a variation on 4. 4-A is a little bit smaller. You see this is the original 4 (indicating on map) and then we chopped off one township, Millstone in Monmouth County, to vary that a little bit because we discovered that the easements were very expensive in Millstone Township. We were trying to get the cost down and that was one means we used to try and do this.

ASSEMBLYMAN STEWART: I wonder if possibly you could go over each of the areas while you are up there.

MR. LAMBERT: I don't remember the facts and figures, but they are in the Committee's possession.

ASSEMBLYMAN STEWART: Can you point out where number 1, number 2 and number 3 are.

MR. LAMBERT: Here is number 1. This is a "cheapie" down here, except it covers a lot of area.

ASSEMBLYMAN STEWART: It would be less expensive.

MR. LAMBERT: Less expensive.

ASSEMBLYMAN STEWART: That's Salem-Gloucester.

MR. LAMBERT: That is partly in Cumberland, but mostly in Salem. This covers approximately 10 townships and it is a wonderful area. We felt that there wasn't enough development pressure there to give us a fairly decent cross-section of the State, so that was removed for that reason.

Number 2 is over here in Ocean and Atlantic Counties, primarily Ocean, and that is this arrowhead. I'm sorry if I have my back to someone here, but I guess I can't get out of the way. That is this arrow-shaped area here. The difficulty with that was that the pinelands occupied a major part of it and there just isn't very good farmland in that area. There are some exceptions, but by and large, there aren't.

Number 3 is next. We did this last July and at that time Tocks Island was a hot issue, so we decided to look in that area and see what we might put next to that. However, it turned out to be a futile exercise. In any event, both this 3 and number 5, which is up at the top here - and they both have approximately 7 townships in them - turned out to be quite expensive, and also it is not a good farming land. So that takes care of 1, 2, 3, and 5.

Number 4 is the one we were enamoured of, which would include Upper Freehold, Millstone, Jackson, and Plumsted in Monmouth; and then these 5 townships in Burlington. We did a lot of work on that and I have a map showing the estimated distribution of easement values in Upper Freehold Township, which is rather interesting. But, in any event, as the Secretary said, that turned out to be much too expensive, especially in view of the fact that our funding sources were reduced somewhat. So that was 4.

Number 6 is this little area. We decided we would try an area that was under rather heavy development pressure and we selected 3 townships: Plainsboro and Cranbury in Middlesex; and West Windsor in Mercer. But again the price tag was too high. We just couldn't afford it.

Number 7 somewhat resembles 6. It includes Montgomery Township in Somerset and Hopewell Township in Mercer County. Again the price tag was too high, although not as high as it had been over here in number 6.

Number 8 is another variation, up a bit, but we found there that that too was too expensive.

So it primarily hinged on two things: the character of the land for farming purposes, was it good or not good; and, secondly, the expenses. I might point out here that this map is covered in 10 different varieties of colors. The green is the most expensive 10 percent of the farmlands. These are the municipalities whose estimated easement values are in the top 10. As you could expect, it would come right down the population corridor.

What did I leave out? We were trying to develop something that might fit in with CAFRA and we considered some of the townships down here in 11, which is Cumberland and Cape May Counties, and that turned out to be less desirable from a farming point of view.

Let's see what didn't I cover? I didn't cover number 10, which is the one that we finally selected, and that is here (indicating).

The areas that we didn't try were just too expensive or not otherwise suitable. Any questions?

ASSEMBLYMAN STEWART: Thank you very much.

SECRETARY ALAMPI: In summary, Mr. Chairman, you see it involved a very detailed analysis of 12 possible areas with a consideration of costs for a demonstration project.

Statement: The farm operator who sells his easements may find in the future that farming is no longer economically possible. The demonstration project does not provide an acceptable means of exit from the agricultural preserve for such an individual. The Farmland Commission in its entirety felt that farmland would always have a good value in New Jersey as farmland. At no time did any member of the Commission ever feel that farmland, once designated as farmland, could not stay and be profitable. They feel you are going to have variations in that from year to year. Weather conditions have an effect on it. It is not going to be uniformly good. But we felt that farmland in New Jersey would always have a place and could stay as farmland. A lot of farmers ask: Why can't you guarantee that? They don't have that guarantee now without the blueprint. There is no assurance of it. So we felt there always would be a desire and a need for that farmland. We find that in the highly-urbanized areas, the type of agriculture changes to meet the needs of the area; for example, high-value commodities such as nursery and horticultural production, sod and other specialty products lend themselves to urbanized localities.

Now, if the unexpected happens and farming seems no longer economically profitable, the owner may file a statement to that effect with the State. The Department of Agriculture will investigate the owner's claim and, if it concurs, will recommend to the State House Commission that the easements be sold back to the owner at the current market value. This procedure is obligatory and is prescribed in NJS 13:8A-13.

There is also the possibility that the State could offer to purchase the farming value. This alternative is subject to the availability of Green Acres' funds at that time.

Quite frankly, I don't anticipate this problem. Agricultural land will stay in agriculture and I think it can be a viable part of our economy, but there is no guarantee, any more than you don't have a guarantee today.

Statement: The original Blueprint recommendations are quoted as costing either \$1.3 billion or over \$8 billion for 1 million acres in Agricultural Preserve. Which is

correct?

The \$1.3 billion is the estimated 1976 cost of the easements on the one million acres. The \$8 billion was the cost estimate if we followed the original blueprint recommendation in which owners of farmland located in a mandatorily designated Agricultural Preserve could tender their easements to the State at any time in the future - that can be over a 20-year period - and receive payment in terms of value levels at that time. Originally, the Blueprint Commission felt that a farmer ought to be able to come in anytime he wanted to within a 20-year period. But when that was computerized, the total value of that program would be approximately \$8 billion, depending on current values. The development easement concept philosophy in 1973 was \$1.2 billion for a million acres and today it is \$1.3 billion.

The statement was made that the demonstration project local Steering Committee should not participate in the decision to acquire easements on specific parcels.

The fact is that all members of the Steering Committee - we have had two meetings already - have been advised that they will not participate in the matter. Parcel selection will be made jointly by the Department of Agriculture and the Department of Environmental Protection.

Statement: The allocation of \$5 million in Green Acres' funds to the four townships may reduce the amount of Green Acres' funds available to other county municipalities.

The Department of Environmental Protection states that the demonstration project will have no effect upon the allocation of Green Acres' funds to other Burlington County municipalities.

Statement: The acquisition of development easements in the project area will force up the price of remaining developable land in the four townships.

The fact is that assuming that about 80 thousand acres in the four townships are developable, the largest number of acres on which easements might be obtained would not exceed 10 percent of the 80 thousand. Most of the acreage on which easements may be acquired will be relatively remote from developed areas. It is unlikely that the removal of this acreage from the development market will have a significant effect upon land prices.

Statement: In economic terms, what are the basic objectives of the demonstration project?

The project objective is to obtain easements on the maximum number of prime farmland acres at minimum cost. This means that easements on acreages under significant development pressure will not be purchased because the cost per acre would not fit program resources. The study of actual farmland sales in the four townships indicates that there is an adequate supply of farmland at reasonable value levels to meet program economic objectives.

Mr. Chairman, I would like to make a statement at this point. It is rumored that I am against the Blueprint Commission recommendations. Nothing could be further from the truth. As Chairman of the Blueprint Commission of 21 members, we made 13 recommendations. I stand behind all 13 recommendations - have and always will. We are facing a practical reality here with the MacNaughton Commission making a recommendation and the administration recommending a demonstration project; we are now following this route as a beginning step in the total program. We will not waiver and will not deter from eventually trying to get the whole one million acres and preserving it in prime farmland. I wanted to get that straight on the record and to the Committee that this is not an abandonment of the Blueprint Commission report or its recommendations. All 13 are important. If you don't have the land, forget the other 12. If you haven't got the other 12, forget the land. It is a package deal of 13; and, hopefully, all 13 in due time will be enacted through legislation or regulation or action of some type or other - some State and some at the federal level.

You already have copies of the guidelines we are submitting. We have already

had two meetings with the suggested Steering Committee and we would like to have the Steering Committee made up of two committeemen from each municipality, a planning board member from each municipality, two members from the Burlington County Board of Agriculture, one freeholder from the Burlington County Board of Chosen Freeholders, the Director of the Burlington County Planning Board; and every member of the Legislature in that area - I believe there are six - as ex officio members, as well as members of the Department of Agriculture and the Department of Environmental Protection. All the farmland owners will be informed of the project objectives and procedures and owners will be so informed on a face-to-face, one-on-one basis.

What will be the duties of the Steering Committee? These are some of the things you have to consider, as you suggested the other day very correctly, might be part of the legislation, not completely, but I think in general terms, so that you are assured of that protection.

We hope that the Steering Committee will communicate with land owners and citizens in the project area to inform them of the features of the Demonstration Project as well as the benefits to the owners in voluntarily offering their development easements to the State at realistic prices; advise the Division of Rural Resources on those guidelines that should be furnished to farmland owners in making the offers; after the offers have been received, advise the Division which offers, if accepted, would conflict with municipality or county master plans or would otherwise seem unsuitable for inclusion in the agricultural preserve; advise the Division of Rural Resources on the guidelines to be used in appraising the suitable land for its market and farm values; and, after appraisals are conducted on selected parcels, advise the Division which of those parcels (where the certified appraised values approximate offered prices) should or should not be accepted by the State.

The objective, of course, in setting up the Steering Committee is to provide responsible advice and recommendations to the operating agency. We believe that it ought to be at the local level and not dictated by the State. However, finally, on the actual development easement acquisitions, the State will have to make the final decisions because we are using \$5 million of moneys which are in the Department of Environmental Protection for this purpose.

Now what is the responsibility of the Division of Rural Resources in our Department? It will:

Prepare, and continuously update estimates of easement values and other statistical information.

Prepare maps of the four townships showing locations of farmlands, parcel locations on which bids are received, and other data relating to the locational aspects of the Agricultural Preserve.

Develop guidelines for appraisers.

Prepare such additional rules and regulations for the project as may appear necessary as the project progresses and new experience is gained.

Schedule and conduct all informational meetings to be held with farmland owners and other interested groups.

Work with the Steering Committee for the purpose of keeping them informed on project developments. Obtain maximum input from the Committee in the discharge of their duties and responsibilities.

Establish rules for the guidance of farmland owners in submitting development easement offers. The rules shall encompass: a percentage limit on the amount of woodland that may be offered by an individual owner (excluding cranberry and blueberry bogs); a clear

statement that easement offers above a designated value per acre probably cannot be considered because of limited project resources; and a requirement that (except in the case of cranberry and blueberry bogs) easements may only be offered on Soil Conservation Service Classes I, II and III land.

With advice from the Steering Committee, conduct a review of easement offers from farmland owners. Select those offers for which farming value and market value appraisals will be made, based upon the following criteria: an offering price which represents value levels of a magnitude obviously beyond project resources will be rejected; offers not meeting minimum requirements as to soil classification and wooded areas will be rejected; remaining offers will be reviewed from the standpoint of reasonably contiguous parcels. Those offers representing isolated acreage will be rejected. Farming value and market value appraisals will be authorized for remaining offers.

Arrange for farming value and market value appraisals.

When appraisals are completed, compare appraised easement values with offering prices. In those cases where appraised easement values are significantly below offered prices, advise such owners of the differences between appraisals and offers. If an owner does not revise his offer, eliminate the offer from those being considered. Review the remaining offers and, even though some may approximate appraised values, eliminate those whose per acre value is beyond project resources.

Plot all acceptable offers on township tax maps. Determine the extent to which offered parcels are reasonable contiguous. Eliminate those parcel offers that represent farm acreage which is isolated from the group of contiguous parcels.

Have Steering Committee review remaining acceptable offers and obtain their recommendations for those parcels on which easements should be acquired.

Review Steering Committee recommendations and make decision for Department of Agriculture as to the Department's position on the acquisition of specific easements.

Submit Department's recommendations for easements to be purchased to the final review authority. That authority shall be composed of designated representatives of the Department of Environmental Protection and the Department of Agriculture. They will make the final easement purchase decisions.

Finally, a review and evaluation of the Demonstration Project shall be conducted at stated intervals by designated members of the Department of Environmental Protection and the Department of Agriculture. Designated members of the Legislature shall be invited to attend these sessions. These reviews shall be conducted, (1) immediately prior to the mailing of requests for offers to farmland owners, (2) immediately after easement offers have been received and preliminarily analyzed, (3) after appraisals have been obtained and compared with offers, and (4) at the conclusion of the program. At any of the points mentioned above, the Demonstration Project may be continued, altered or terminated at the option of the appropriate review authorities.

We, like you, want to include some guidelines, some tightening up, so that you are assured of the progress of the project, which can be terminated at any point when we feel it is not practical and we should not spend any of the money.

I will be glad to answer any questions. Our staff people here have been working on this project for some time.

ASSEMBLYMAN STEWART: Thank you very much. What I would like to do is let anyone on the Committee who has some unanswered questions, questions that have not been cleared up by your statement, proceed with any such questions they might have. I think one thing that is concerning us is that on the one hand we are interested in trying to tighten up the guidelines or set up some sort of guidelines; but on the other hand, we realize

this is to be a pilot program and that, if we tie it up too tight, we are liable not to allow the two departments some leeway to really test it and get a good reading on it. So we are torn between two points of view, I think, on this. We realize that time is of the essence and that it won't do us too much good if we delay for a long period of time on this.

I only have one question to ask you. It is my understanding that there is no plan similar to this in effect anywhere else.

SECRETARY ALAMPI: That's right.

ASSEMBLYMAN STEWART: The only place I even remember reading about it - and we received a letter on it - was in a County in New York ---

SECRETARY ALAMPI: Suffolk County.

ASSEMBLYMAN STEWART: (Continuing) --- which never went through with it. Did they draw up guidelines? Did they get to a point and then stop?

SECRETARY ALAMPI: What happened very briefly was this: John Klein, the Executive of Suffolk County, came up with the proposal and they were going to put up \$60 million for this program. It became a hot political issue before the election, so they decided to drop it so it would not be a campaign issue. Therefore, they did not carry it out before the election. Now that the election is over, they are going to revive it. It is my understanding their offers exceed the \$60 million. Their offers came to \$117 million. That is their basic policy decision: Which way do we go now? The bids that came in amounted to 17,370 acres from these land owners. So they had to make a realistic appraisal on it. I don't know where it stands right now. Maybe Chuck knows.

MR. LAMBERT: I talked to them last week. Number one, it looks as though they will never get the money because, you know, the Legislature there is Democratic and he's Republican. This is what his assistant who has been working on this project told me. Number two, I asked him to send us copies of their guidelines. We have everything in print that they have used, even some of their internal files. They said, "oh, yes, we have such guidelines and we will send them to you." What they did was wrote me a letter and it was stated in just a short paragraph: maintain contiguity and aim for the less costly land, etc. So they had just one paragraph in terms of guidelines.

ASSEMBLYMAN STEWART: Byron, do you have some questions?

ASSEMBLYMAN BAER: Yes. First of all, I would like to make a few more inquiries about the selection of this area. I was expecting that we would have had copies of the planning report that was discussed last time.

ASSEMBLYMAN STEWART: We do have a copy of it, Byron, here today.

ASSEMBLYMAN BAER: I would like it and I wish I had had a chance to see it in case I had some questions about it. What do you propose we do procedurally?

ASSEMBLYMAN STEWART: The problem is that we only have one copy right now. In my discussion with Mike we decided what we would do is have Mike review it and come up with a summary of it so each of us could have that; and then the document, itself, would be available to any member of the Committee who wanted to take the entire document. I thought that would be the easiest way to get the information out to everybody on the Committee so that one person would not be running around with the whole document and the other four sitting around not knowing what it says. That will be done this week and the information will be out to us by the end of the week. The document will be available to any one of you who wishes to have it.

ASSEMBLYMAN BAER: Thank you. I can see why this may require a procedure like that. I note this is marked "confidential." Just as an aside, what is the secrecy involved?

SECRETARY ALAMPI: It is not our report.

MR. LAMBERT: Yes, it is.

ASSEMBLYMAN BAER: I am always intrigued about secrecy.

MR. LAMBERT: There was no secrecy. The reason for that was that we made estimated easement values for every municipality with farmland in the State. Now they are gross estimates; they aren't intended to be looked at individually. You have to do other things to get accurate easement values, but they were okay for the purposes we were using them for. What happened was that early in the game a couple of people saw these and they took them as gospel. They said, "oh, this is ridiculous because our easements are worth five times what this indicates." So we were afraid that somebody would look at these and not read the disclaimer and begin to quote us as saying easements were worth so much and that would just cause a lot of difficulty. In the letter of transmittal to the Committee, mention was made of the fact that they are not to be taken as exact representations of what the easements are worth. That is the only reason.

ASSEMBLYMAN BAER: I see. So basically it was to protect against being quoted out of context.

MR. LAMBERT: That's right.

ASSEMBLYMAN BAER: I see. Now one of the things that puzzled me when I was trying to follow along the general description you were giving about these twelve areas is that the basic twelve study areas themselves seem to include areas that would seem to be, on the face of it, unacceptable when you are talking about pine barrens where there is neither much development pressure or much agricultural interest or when you are talking about some of the other areas where either the land is bad - I don't want to misquote you - or not too good or the development pressures are very light. I am a little bit puzzled. I would have assumed, having been slightly involved in planning myself, that one would start perhaps with a plot of the good agricultural land areas, which I have seen superimposed over various maps, and might then perhaps start with an overlay showing areas of moderate development pressures, which you can get, I guess, from the Regional Plan Association and, for all I know, from the Delaware Valley Planning Commission. Then, finding those areas of overlap, you would begin to analyze down further, wisely, I can see, eliminating what you have colored in as blue areas where perhaps the prices are right off the top of the chart. I am a little bit puzzled at how these twelve areas were initially chosen. Were they chosen so each county would have an area with the initial idea of a more ambitious program that would have a little bit something in it for each county or what?

MR. LAMBERT: We did it just the way you described. When we made our estimates of the easement values, these are a function of development pressure. If there is a lot of pressure for development, they are high. If there is little, they are low. So we cranked that in and that was done by relating total ratables to the number of acres in a municipality, which is an indirect reflection of the pressures for development - or it is a direct reflection. As to the overlay showing the Classes I, II and III farmland, we have one of those and we worked with that as well, but I just didn't mention it in the interest of time.

ASSEMBLYMAN BAER: Excuse me. Is that in here because I haven't had a chance to study it?

MR. LAMBERT: Not everything is in there, no. We have progressed at such a fast rate and things have changed so much. There is a document dated November 28th, by the way, that supersedes a lot of the information that is in the one that you have there. The reason for that is that we have developed a lot of new information and we keep cranking it in as we go along.

ASSEMBLYMAN BAER: Will you submit that to the Committee?

MR. LAMBERT: It has already been submitted.

ASSEMBLYMAN BAER: May I ask, Mr. Chairman, if the maps with the overlays or the materials that were used, as the witness described, somewhat paralleling the procedure that I was talking about and which are not contained here, be also submitted to the Committee.

I realize they may be too large to reproduce, but at least they could be submitted for our inspection.

MR. LAMBERT: We only have one. That is the reason we didn't send it over.

ASSEMBLYMAN BAER: Will that be okay to send it over? Thank you.

RICHARD CHUMNEY: As part of our targeting area - correct me if I am wrong, Chuck? - we are talking about 3 B farmland assessment acreage here, which only appears in 322 municipalities in the State out of the 567. So immediately you eliminate those municipalities without the 3 B acreage. So that is a part of our targeting in on an area, which might help you in your thinking.

ASSEMBLYMAN BAER: Very good. That would seem to be an excellent procedure, to do that.

I would like to question a little bit more some things relating to the choice of land here. I notice in this demonstration project proposed guidelines reference to a percentage limit on the amount of woodland that may be offered by an individual owner, excluding cranberry and blueberry bogs, and a requirement that, except in the case of cranberry and blueberry bogs, easements may only be offered on soil conservation service Classes I, II and III land. First of all, may I assume that these soil conservation services classes are agricultural ratings?

SECRETARY ALAMPI: Yes.

ASSEMBLYMAN BAER: They have nothing to do with development ratings?

SECRETARY ALAMPI: No.

MR. CHUMNEY: That, in a sense is the definition of prime land.

ASSEMBLYMAN BAER: Right. Thank you. I am a little bit puzzled. What is proved since this whole program is intended as a demonstration, as a test case, as a kind of a laboratory, in the acquisition of land that would seem to have little development potential? I would assume that cranberry and blueberry bogs would not be the kind of land that a developer would normally be interested in for development because of drainage problems, sewage problems - I guess you could list a large number of problems like that - particularly if these are natural bogs and not bogs as a result of man-made damming or irrigation modifications. Could you explain that to me?

MR. LAMBERT: Yes. It is the nature of the beast. Cranberry bogs and blueberry bogs have to be supported with very large supplies of fresh water and habitually a cranberry or blueberry producer will have 10 percent of his land set aside for producing his crop. The other 90 percent is devoted to protecting his source of water for bogs. There are people here who are a lot more expert about this than I am. But that generally, I think, is the picture. So they are a different kind of a bird.

MR. CHUMNEY: Actually the blueberry-cranberry type acreage is really as much a part of the definition of prime agricultural land - and it is used across the country by the Soil Conservation Service - as the Class I, II and III designations. In fact, the definition, itself, basically states, "shall consist of Classes I, II, III and special type lands," and the special type lands are those such as cranberry bog lands, blueberry bog lands, etc. So it is a type of land that is part of the definition of prime agricultural land.

ASSEMBLYMAN BAER: I am not questioning at all that this may be prime agricultural land and, because of its specialized use, have very high yields of these crops and very high economic yields. What I question is, since this whole undertaking is related to preserving agricultural land and preserving agricultural land which is threatened, as opposed to agricultural land which is not and nobody would want to develop --- First of all, I would like you to clarify for me what public purpose there is in buying up development

rights of prime agricultural land which has virtually no potential for development because it is so unsuited for development, even though it is highly suited to agricultural purposes? Secondly, what purpose is achieved in demonstrating that one can acquire such development rights?

MR. LAMBERT: If it is suited to agriculture, it is suited to development, with the sole exception of the cranberry bog, itself. You wouldn't very likely build a house in the middle of a bog. But, on the other hand, the land that supports that bog and makes it possible would probably be prime from a development point of view.

ASSEMBLYMAN BAER: Well, that may be so and that may be justification for buying up development rights of surrounding land, which is developable. I would assume that, if the surrounding land which is developable has the development rights bought up, then there would be no need to buy up the development rights of a bog because I can't imagine anybody wanting to build in a bog. Now I hope before we are done, since I notice we have here today a representative of the New Jersey Builders Association who probably has a lot of expertise about this, that the Committee can avail itself of what views from the point of view of a developer he might have. But at this point, I am not proposing to play chairman and ask another witness to speak. I am just interested in what your thoughts are on this.

SECRETARY ALAMPI: I would like to interrupt there. Yes, there is a market for bog land. Some of the best sand in the world is there if you left it to people who like to excavate. This is one of the dangers in that area, in my estimation. They can go in there and dig out that gravel and that sand. If there is going to be any building of highways in that area, they want to get that gravel and sand as close as possible. So, yes, cranberry bogs do lend themselves to a tremendous outpouring of gravel and sand for that purpose.

ASSEMBLYMAN BAER: But isn't it possible and practical to zone against mining, to zone against mining for gravel and sand, or to use other types of land-use controls, such as permit procedures, to prevent this from destroying good agricultural land where it is very difficult and impractical to try to zone to keep agricultural land in agricultural use in perpetuity because of, as I understand, certain legal precedents that exist in terms of that and also because of the far greater problem of the development pressures? Aren't there existing tools that can deal with this?

SECRETARY ALAMPI: I think there are, although I think we are looking at the broad spectrum of available prime farmland. We consider cranberry and blueberry bogs part of that total picture of prime farmland. I guess when you come down to the very end, Mr. Baer, it would depend on whether it is contiguous to other farmland or isolated by itself. These are some of the factors we have to consider. We are not prepared today to specifically spell out: Are you going to take any cranberry bogs or are you going to take any blueberry bogs or land or will they be set aside by other planning devices? I am not prepared to answer that now.

ASSEMBLYMAN BAER: The reason I raised the question is twofold: one, because you state an interest in maximizing the land which would be acquired and avoiding these areas might be a means to that; and, secondly, I am concerned that a public reaction to the acquisition of development rights of undevelopable land might very well bring screams of outrage and objection that would sour the public attitude towards the whole program. I think this is something we have to be very careful about. I think we all have been around long enough to have the imagination to know how a critic could use certain circumstances and formulate that into a big headline story and I am concerned about this.

SECRETARY ALAMPI: Your point is well taken.

MR. LAMBERT: By the way, I might just make one remark and that is that there

are approximately 2,000 acres of so-called bog area, which includes the supportive woodlands, which is most of it, and that is very developable. But that is only about 5 percent of the total farmland in the four townships; so it is a relatively small portion of it.

ASSEMBLYMAN BAER: I am glad you mentioned that. I notice that you have a percentage limitation on woodlands as to the amount of woodlands that can be included here. I would like you to enlighten me on that. Since woodland may, depending on the topography, be very attractive to developers and woodland is sometimes used as a form of agriculture and certainly strongly relates to the overall objectives of the Greenacres bond referendum and the associated legislation, why would you put an arbitrary limit on woodland while at the same time there is no limit on cranberry bogs and undevelopable land?

MR. LAMBERT: There might very well be a limit. As the Secretary said, we aren't at the point to specify what that might be.

As to the reasons for putting a limit on woodlands, number one, Green Acres has its own woodlands acquisition objectives. They have asked us to concentrate on open land rather than forested land because of the possible conflict with their normal objectives, and this is outside of that. Secondly, we have to look at this as a program to preserve agriculture and to do so you have to make some value judgments about how much woodlands a farmer needs for supportive purposes - fence rails and who knows what. We haven't arrived at that point yet. We will use the Steering Committee to help us make this decision as to what the cutoff point might be. But, for example, in Pemberton Township, there is a corporation that owns 2600 acres of woodland. Now, if we were to acquire easements on those 2600 acres, we might be subject to some very loud protests.

ASSEMBLYMAN BAER: I see your point.

MR. CHUMNEY: We are looking at woodlands in terms of this project, not exclusively but primarily in the area of a buffering mechanism where the percentage of woodland you might want in the upper ends of a watershed flowing into a cranberry bog might be a certain percentage of that contiguous land area. You might have an entirely different percentage of woodland used primarily as a buffer area between encroaching urbanization and a dairy farm, etc. That might give you an example of some of the things we are thinking about.

ASSEMBLYMAN BAER: That is helpful.

One of the things that seems to be kind of fundamental here is a little puzzling to me and that is this stated goal of acquiring development easements on the max amount of prime farm acreage at minimum cost, which is stated in the heading and is stated I thought more elaborately somewhere in here.

MR. LAMBERT: It is the last question on page 3 of the responses to the questions raised at the hearing.

ASSEMBLYMAN BAER: Yes, that's right. (Reading) "This means that easements on acreages under significant development pressure will not be purchased because the cost per acre would not fit program resources." One of the things that puzzles me about that is that this program is intended to demonstrate the preservation of prime agricultural land which presumably is under some kind of threat. I assume that there would not be an effort to try to demonstrate preservation, except that there is a threat to the continuation of the land. If we are going to find anything demonstrated that would be of use, I would expect it would be what the impact of this program is on land that is threatened and under significant development pressures. The fact that farmers might be willing to sell development rights to land that isn't under development pressure where there is no great number of buyers or maybe no buyers - I'm not sure what that would prove, except that the farmers have their heads screwed on right. But it would seem to me the key question is: Will this program work where there are development pressures. If it doesn't - and I am making this in the form of a statement, but I am really looking for you to respond to it and

knock it down or answer it in any way you wish. As I was saying, if this program will not work where there are significant development pressures, if the farmers aren't interested in selling development rights because they have their eye on the future to developing, then I don't see how this program is ultimately going to be an answer to the problem that it seeks to address. If, on the other hand, the farmers will buy in that situation, I think it shows that the thing will work. But if you focus the experiment where there aren't significant development pressures, it seems to me that you assure the success of being able to buy the development rights. You know, the program, as such, is a success where you would be able to go and spend the \$5 million. Maybe some people locally would be happy. But I don't know what would be proved of value from that. So can you explain that to me?

MR. LAMBERT: All right. We have to look at money because everything depends upon the amount of funding that we get. To maintain farming in the State, you have to have a lot of acres - a lot of acres - and we hope this is just the beginning because agriculture is a very land extensive operation, so you have to think in terms of maximizing acreage. This is not a program that will work in an area where the pressures for development are very high. It is just too costly. So what we had to do was select an area that was fairly representative of the whole State. In these four townships, the estimated easement values are about the same as the average for the State. If you take all the easements of the State and add them up and divide by the number of acres, this is about the same average per acre that we have in these four townships.

ASSEMBLYMAN BAER: May I break in just a moment? You say this isn't a program that will work where the development pressures are high. But aren't those the areas where agricultural land is being lost in the State? Isn't that where it is being lost?

MR. LAMBERT: It is too late; it is too late. What we are looking at is the situation 20 years from now. Unless the Legislature sees fit to appropriate a billion dollars or more - but with limited resources, we have to pick the place where we can get the biggest bang for the buck.

MR. CHUMNEY: There are a couple of things that might help a little bit as I see it. Number one, I think we have to keep in mind the basic thrust of this program is to preserve prime agricultural land in as large contiguous blocks as we can possibly get together. This obviously will vary, the amount of pressure on any one of those acres, depending on where it is. That pressure will vary. I think we are really talking about a degree of pressure. As we have looked at all these municipalities with 3 B land, I think the development easement values went anywhere from \$27 per acre up to \$100,000 an acre. So what we have tried to do within that long spectrum of, say, a \$27 development easement value, in the sense the pressure on that acre of land maybe down in the heavy mosquito country of South Jersey, compared to a \$100,000 pressure on an area in Bergen County, is come somewhere in the middle and take a cut in an area of the State that, according to this objective, will give us a reasonable and good investment for the people of the State in terms of total acres for a limited amount of dollars. So I think it is really a matter of degree because there is pressure on all of it. How close do you move to that \$100 thousand value or away from it down to that \$27 value is a judgment that we have tried to make here in terms of selecting these particular four townships.

MR. LAMBERT: There is pressure on all of it.

ASSEMBLYMAN BAER: Maybe so, but I notice the answer here says, "This means that easements on acreages under significant development pressure will not be purchased," etc. It doesn't say "excessively high development pressure;" it says "significant development pressure."

ASSEMBLYMAN STEWART: If I might interject, Byron. These are guidelines, just

that; this is not the bill. The reason we asked for copies of these guidelines was so we could point out what some of us may consider to be flaws. There is no reason why when we draw what we feel are going to be our guidelines, we have to take that particular phrase. This is a point well taken and we can handle that ourselves. We can also deal with some of the definitions.

ASSEMBLYMAN BAER: Your point of procedure is well taken, Don.

I would like to address another aspect of this that has me puzzled. I had some questions at the last hearing. Since this is a demonstration and, as I understand the planning discipline in general, one starts out in a demonstration project or planning analysis with a very precisely defined set of questions that you are seeking answers on and a number of alternative possibilities for each of those questions or perhaps information that is measured statistically in answer to some of those questions, each of those questions having a real relevance to the feasibility of going into a major program. It would seem to me that the Committee having a very explicit and precise understanding of what those questions are would be very helpful in analyzing whether this demonstration program is designed ideally to answer those questions or in determining whether the Committee wishes to modify the program or so that the Committee can determine whether the Committee, itself, feels that those questions are the key questions that need to be answered in terms of future feasibility. Sometimes demonstration projects are initiated with the idea, well, just let's try it and see what happens, without very clearly defined questions and objectives and criteria. I don't see any particular reason why this need be that type of an undertaking that doesn't have these things clearly stated in advance. So I would like to ask, first of all, if you could provide us with precise information on this. I know at the last Committee meeting there was mention of a general nature in finding out how farmers react.

MR. LAMBERT: You have a statement of the questions that we wish to answer and the questions to which we do not yet have answers. This was provided last Monday in a list of questions and answers and we enumerated the questions there.

ASSEMBLYMAN BAER: Are you talking about this (indicating)?

MR. LAMBERT: I don't have a copy myself so I can't tell you on what page it is.

ASSEMBLYMAN BAER: I thought this was described as something that was developed principally to answer farmers' questions.

MR. LAMBERT: It was broader than that. It was intended to answer a wide spectrum of opinion and questions.

ASSEMBLYMAN BAER: Well, I must say as I look over it - and I am not trying to be contentious - there seems to be a long series of questions and answers in which practically all the questions are asked from the perspective of the farmer. For instance, if I sold my easements, how will my land be assessed for tax purposes? I am trying to find within it some specific section that enumerates the precise planning goals of this demonstration and I don't. But in any case, this isn't what I would consider the type of document that would be an adjunct to a serious planning study, let alone a serious demonstration study where large amounts of money are being spent, not just for planners to analyze; but actually in the acquisition of land. Do you think it would be possible to get something far more explicit together for us?

MR. LAMBERT: No, sir. No, I don't. These are broad questions. I have no means of elaborating, for example, on the first question: How many landowners are willing to voluntarily offer their easements? I mean that question stands by itself. We just don't know and I don't know how to calculate it. We could make some judgments from Suffolk County because we know what their experience is. But they would be not applicable in this

case. That is a totally different kind of situation up there. So, as far as that goes, there is really nothing more to say. We just don't know-- and how many acres they will offer, we don't know that either. We don't know whether we will get offers --- By the way, to get back to the question, this seems to be aimed at farmers. Most of the owners of farmland in the State are not farmers in the first place, and these questions are directed to owners of farmlands, so if there is a suggestion that this is farmer oriented it was unintentional.

ASSEMBLYMAN BAER: Well, I wasn't trying to focus on that distinction. I am glad that you pointed that out. What I was trying to express was that it wasn't drafted from the point of view of enlightening legislators or planners or professionals in administrative departments of state government who are interested in evaluating this program or proposing modifications.

MR. CHUMNEY: Again, I think we have to keep in mind that we are still talking about 3-B land and we know where that is. But as Chuck said, we don't know which of those land owners will submit bids that might ultimately be accepted in the program, so we can relate 3-B land to the master plan of the township, or this sort of thing, because if one has been completed, we can look at it and see where it is and see where the 3-B land relates to that. We don't know which 3-B land will be offered in terms of bids that would come in. That might help a little bit in your thinking.

ASSEMBLYMAN BAER: Well, if that is the key question, and I can see where the category of land might be a very relevant question, perhaps, even more than the amount of acreage for a given amount of money, since this might vary, as you point out, in a different region. But if categories, for instance, are essential, I would be looking for a breakdown of the categories. For instance, the statement of the goals of the project in terms of those distinct and discreet types of categories of land, be they categories of agricultural quality or categories as they relate to different aspects of the municipality's master plan or as it relates to criteria relevant to development value or whatever, then it would seem to me you would be able to begin differentiating the different things you learned. I'm not sure at first blush which of those are most critical in terms of learning how feasible a broader program is, or learning how to improve a broader program, but those kinds of things are not listed here.

As I say, my familiarity with studies in the past have indicated that even where there is no capital expenditure and you are just paying salaries of professionals, the questions are very clearly and precisely delineated in advance as to what you are trying to find out.

SECRETARY ALAMPI: I think many of those things will be answered when the City Committee, which has planners on it, will sit down jointly and work out a lot of these details. Right now, frankly, we are trying to put the package together, and whether you can delineate these in the legislative form, I am not quite sure. We can give broad perimeter, so that we don't go beyond those bounds. I guess that is what we are looking for, really.

ASSEMBLYMAN BAER: Well, let me go on to the next question, which kind of ties in with this. One of the things I have been wondering about, since \$5 million is proposed to be spent on this project, which is a nice round amount, is how is it known that \$5 million as opposed to \$2 million or \$10 million is necessary to be spent in acquisition to get the practical field experience to answer these questions, which of course are not clearly defined? You know, we are under tremendous economic pressure in this State presently, and even though this is bond money, and even though it is money that has already been

approved, via referendum, the public is watching very carefully to see that we do spend wisely. Every time they see an instance where they have doubts about it, or justification for doubts, it not only is harmful to that, but also has a corrosive effect in terms of State expenditure anywhere on anything. We all understand the impasse we have been in for some time with State expenditures and taxation, partly based on some of these public concerns, and I would like to be able to have an understanding as to why we need to buy \$5 million worth of land to develop the experience and information that this program requires, and why \$3 million wouldn't do it, or why we won't find out when it is all done that it wasn't enough to develop the answers and we needed to spend \$7 million. I have no idea how to make that determination now, particularly since these questions I have been trying to find out ---

ASSEMBLYMAN STEWART: You have a long question there. I think the question is why \$5 million.

MR. CHUMNEY: I think when you go through this tremendous amount of research here, this will throw some light on it. Secondly, we have no pattern anywhere to use as a guide to go by to give us some insight. We simply felt we had to make a value judgement based on using various amounts, less than \$5 million or more than \$5 million, et cetera. In essence, based on the research data that is in the booklet there, we made a value judgement in the absence of any other guidelines or information to go on. Right or wrong, it is the best judgement we could make at this point, feeling that this was a minimum-sized package to give us the experience and know-how that we needed. It might well be something else, but we could not find anyone that could advise us in this area. This is something on which we had to just make a value judgement.

ASSEMBLYMAN KOZLOSKI: You mentioned something before, and that is, you mentioned that we had representatives of developers here, and I would, if we could, as soon as we finish your part here, like to ask the Chairman if we could call upon that aspect of this subject.

ASSEMBLYMAN STEWART: You have been going for about an hour and twenty-five minutes, so another couple minutes and we would like to hear from some of those people.

ASSEMBLYMAN BAER: Just two more minutes. I hope the public doesn't take the view that the idea here is, let's spend \$5 million and see how far it goes. The only other thing I wanted to bring up, and I won't go into lengthy questioning about it, but I was attracted to your reference at the end of your guidelines, to the possibility of altering or terminating the demonstration project at the option of the appropriate review authorities. And I would like to really raise the question of criteria for altering or terminating that, whether there ought to be criteria legislatively or whether there ought to be criteria regulatory or any comments you might have about that, as opposed to just leaving it up to the whim of those who are involved at the time.

MR. LAMBERT: You are referring to point number four on page four; is that correct?

ASSEMBLYMAN BAER: Yes, sir.

MR. LAMBERT: In that paragraph we have -- the only reason that program would be altered or terminated at that point would be if there were a tremendous roar of protest from the four communities involved. We have had anything but that. It is quite the opposite. The reaction has been very strongly in favor of the program, so the best way for me to answer your question is go to number two in brackets, and that is the evaluation that will occur immediately after the easement offers have been received and preliminarily analyzed.

If we find that we get hardly any offers of easements, why then we will know that the program won't work. We don't expect that to happen, but it could happen. So

at that point we will have a pretty clear signal at that point in time as to whether this is a viable program. If people don't offer their easements, no matter how well we do our educational job, well, then that tells us something, and there would be no point in completing the program if it meant appraising ten or fifteen parcels of land that we couldn't use anyway because they weren't contiguous. The same thing goes for three. At that point we have the appraisals, and we compare the appraised values with the offered values and if the appraised values are only half of the bid values, then we are in serious trouble. It means that a universal tendency is to over-value easements.

ASSEMBLYMAN BAER: I see. I have a very brief last question. It is a kind of fundamental, philosophical question I would like to address to Secretary Alampi, and that is, recognizing that the goal of protecting the agricultural sector of the economy is a very valid goal, presumably there are other sectors of the economy that we would want to preserve or encourage, too, including construction. Do you think that this program should try to contain within it means - as opposed to taking a whole area and buying up the development rights, and preventing development - of analyzing those portions of land within the area whose agricultural utility may not be that high, even though the general area is very desirable. It may have some local features that make it undesirable, or less desirable, for agricultural purposes but very useful and very much in demand for development purposes - shouldn't this be taken into account.

SECRETARY ALAMPI: The Blueprint Commission recommended that at least 70% of the prime farmland be set aside for the agricultural preserve, and 30% of it could be developed. We are for jobs. We are for industry, and we are for multi-unit housing, and all the other good things we need in this state. There is a lot of land that is not prime farmland that could be developed for --- You don't have to have prime farmland to put up a warehouse. So therefore we do recognize this fact, and in our Blueprint Commission recommendations we urged the municipality to develop 30% of their prime farmland plus all which is not prime farmland. So we concur with you completely on that.

ASSEMBLYMAN BAER: Thank you very much.

ASSEMBLYMAN STEWART: Secretary Alampi, I would like to thank you and your group of associates for coming over again. This will probably be the last time we will have you here for the testimony for the public hearing record, but I would assume that we will probably need you and the expertise of your staff at least one more time, and I am sure you will be available to us.

SECRETARY ALAMPI: You have a very fine staff here working with your committee, and we will work with them and others who would like to go over some of these suggestions and guidelines or the perimeter of how far we can go, and checking into the project from time to time, and we will work with you and try to put these things into effect.

ASSEMBLYMAN STEWART: Before you go, the answer that you give to your first question on the sheet you handed out is, you estimate that between 6,000 and 10,000 acres could be possibly purchased under this plan. Does the Department at this point in time have a figure as to the number of acres that they would consider enough acres to put all systems full speed ahead, and really go into this project? Are you talking about 6,000 acres as the minimum amount, or do you have a figure in mind?

SECRETARY ALAMPI: We do not have a figure for the simple reason that we don't know what the offers are going to be by the farmers and we don't know whether the offers are going to be made, since it is voluntary, and we don't know how contiguous they are going to be to one another. It would be foolhardy for anyone, including myself, to say we know exactly. We don't know that. It has to be a viable contiguous area to be worthwhile. We can't have sporadic farmers here and there, so we can't answer that.

ASSEMBLYMAN STEWART: Thank you very much for your time. We have with us also Mr. Robert Ferguson from the New Jersey Association of Realtors.

R O B E R T F. F E R G U S O N, JR.: I am the Executive Vice-President of the New Jersey Association of Realtors. I appreciate this opportunity to present the views of the Realtor Association on this particular issue. I will not read what I passed out. I will just go over the highlights.

First of all, the Association recognizes that it is in the best interest of New Jersey to have a viable agricultural community in this State. We supported the Farmland Assessment Act as a step in this direction, however, we recognize that while the Farmland Assessment Act has worked to a degree, it has not stopped the removal of farmland into the development area. We disagreed respectfully with the Blueprint Commission Report when they wanted to forge ahead on between 700 and 1 million acres of land. We did suggest to the Commissioner, in fact, at that time - and I think it was Dr. Parks from Rutgers University - that we have a demonstration project and that we find out if it works, and I think they are to be commended for what has been suggested.

We cannot support the bill in its present form. I have received calls from all over the country requesting copies of Assembly Bill 1334, because it seems to have been picked up by the Legislative Services, and lobbyists all over the country are finding out about it. I send them a copy of 1334, and the first telephone call I got was where is the rest of the bill, because they just can't appreciate the fact that in New Jersey we would proceed with this type of program with the type of legislation as embodied in A-1334 at the present time.

We feel, number one, the constitutional question, if it has not been resolved, should be resolved before you move forward. There have been some questions in the media, and I am sure that this committee has the answer to that. Secondly, if the constitutional question has been answered, then I think a committee substitute bill is in order, rather than modifications to Assembly Bill 1334.

We feel the bill must contain a provision that spells out the time duration of the demonstration program. I apologize for missing your hearing on Monday, a week ago, and that may have been discussed at that time, but I had the flu and there was no way I could be there. However, I think we have to have a time duration, and I think we have to include in the bill some valuations by other than the Department of Agriculture and DEP on the success of this program. We think there should be some provision that spells out what happens, where does the farmer stand who did voluntarily sell his rights to the State and then we find that the project is a failure. How do they buy it back, what is the procedure, and if this is not included in other legislation, then it certainly should be included in the bill that sets up this demonstration project. And of all things, we feel very strongly that the New Jersey Legislature should be the responsible reviewing body with the final determination on this demonstration program. Is it a success or not? In all due deference to the Secretary - and I hate to say this - but Secretaries after Mr. Alampi may not have the kind of expertise and respect that he has been able to build up over twenty some odd years. But we feel the people are entitled to have the final determination made on this demonstration project through the people they have elected, and as much as possible should be contained in the legislation, so therefore this determination will not be allowed to be promulgated through rules and regulations.

We also feel that if it has not been determined that there be an IRS ruling as to the status of a farmer and the sale or the combination of his development rights. Now, we have talked today - and I have heard the gentlemen from the Secretary's staff talk about the farmers who will volunteer their development rights. Suppose we have farmers that

volunteer their rights but right in the center we have a key piece that Bob Ferguson refuses to volunteer on. If I am not mistaken, under the Green Acres Authority they have the right to go in and condemn, and the question may be that if we do condemn the rights, we may find that we have an IRS position that in fact puts that farmer out of business, when in fact we are trying to save him.

I think there should be communications between this committee and the Secretary with IRS and a determination should be made as to how we would treat that. You know, we might win the battle but lose the war. The poor farmer may get so much money back in development rights that he can't pay his taxes. These are some of the things that have to be answered, and I think in that instance only the IRS can do that. We appreciate this opportunity to present our brief views, because we view this as an historical piece of legislation. As I said before, I have never received so many requests for one piece of legislation in my life. There were over 30 calls already on A-1334 from California right on down through Florida. They are all looking at New Jersey and when I send them a copy of this bill they just don't understand how it could move forward in seven or eight lines as contained.

One other point that the Secretary has in his guidelines, he talks about guidelines for appraisers. I think that there has to be more than guidelines for appraisers. We have had some Green Acres problems recently in Middlesex County that illustrate that we have to select people who are qualified as appraisers, and not simply because they happen to be from party A or party B. I think when we talk about development rights we are getting into an area where we need a specialist. We need a trained appraiser, and I think this Committee, working with the Secretary, should spell that out, so that we don't have a repeat of any problems in that area. Thank you very much.

ASSEMBLYMAN STEWART: Thank you. Any questions?

ASSEMBLYMAN BAER: Just brief ones. You talk about the Legislature making the final determinations as to the success or failure. What procedures are you thinking of?

MR. FERGUSON: Well, I would think there should be a set of guidelines that will be set up to determine if this is good or is not good, but the folks who are elected should have to evaluate this. I have a feeling that perhaps the Department of Agriculture may not be as objective in viewing it as they should be.

ASSEMBLYMAN BAER: I am not sure that's ---

MR. FERGUSON: You are not sure that answers your question.

ASSEMBLYMAN BAER: Yes. What I am getting at is, you know, what do you intend structurally that we would set up so that the Legislature could do that? Obviously, the Legislature in a sense will make a review if legislation for a major program comes before it, so are you proposing a study commission to keep on top of this thing or some particular type of structure? I am not sure what you mean.

MR. FERGUSON: I think perhaps a study commission might be the answer, as long as it contains the elected officials, not just from Burlington County, I might add, but from all over the State. People from Bergen County supported the Green Acres issues, and I think they are concerned to know the money is being wisely utilized. Again, the Legislature should make that determination.

ASSEMBLYMAN BAER: The only other question I wanted to ask was about this IRS ruling. I would like you to explain a little bit more to me just what is involved there. I am not sure I fully understand it.

MR. FERGUSON: Well, I have been reading, and in fact there have been a number of recent articles where the farmers are talking about the fact that they may need special tax treatment, even on an inheritance tax problem, and it just occurred to me that

under the combination procedure, if we proceed and condemn under Green Acres and force landowner Baer to accept the findings, his tax responsibilities may be to a degree that he will be out of the farming business. There is the possibility, and I think it just should be explored - and perhaps members of the agricultural communities might be in a better position to detail that. We have heard this, and we just wanted to put it on the table for your study. As I said, I don't know whether it was discussed on Monday or not.

ASSEMBLYMAN STEWART: I was interested in your discussion of the appraisers. Could you, either right now, or through your organization give us some more input as to how you would suggest we pursue and follow the appraisal course? For instance, do you think it would be feasible to have maybe an approved list of the appraisers set up, or an appraisal review board through your organization or the Real Estate Commission or through someone else in the State of New Jersey, so that we have -- I am sure there are appraiser organizations, aren't there?

MR. FERGUSON: There are many designated appraisal organizations. I can only go back to our experience with the former Governor Hughes' administration when Green Acres was taking off. We started to see problems developing in Green Acres and we volunteered members of the American Institute of Real Estate Appraisers, which is recognized as the finest professional appraisal group - we offered the services of this group as an appraisal review sort of body. The Governor, and at that time I believe it was the Department of Labor, selected three gentlemen, and they reviewed all the Green Acres appraisals that came in, and during the time that they were on the job we did not have one land scandal involving Green Acres in New Jersey. I believe we initially set this up with Commissioner Bontempo. I would have to go back and see if we have the files, but there should be a review procedure. We did discuss this with the Secretary in 1973, and he is well aware of the situation.

ASSEMBLYMAN STEWART: If you would, could you review your files and get some more information on that for us?

MR. FERGUSON: Yes, I will.

ASSEMBLYMAN STEWART: Thank you very much. I think Mr. Philip Cocuzza is our next witness.

P H I L I P J. C O C U Z Z A: My name is Philip Cocuzza. I represent the New Jersey Builders Association. Thank you for the opportunity. Again, I also apologize for not being at your public hearing last week, but I guess I fell down on the job and didn't know what was happening, unfortunately. I did submit a very, very brief statement to you. It was sent in the mail, and I hope you received it, if not, I have additional copies. It is very, very brief. It is just a one-page document.

I wanted to add some additional random thoughts, if I may. First of all, I would like to second everything that Mr. Ferguson said. We support the realtors in all that they said about the bill to this particular point. I think probably the most important point we would like to make - and it is probably an unusual position for us - is that we would like to see more in the bill. It is refreshing to see a one-page bill once in a while, but I think in this particular one, it might be worthwhile to get into a little more, to spell out just exactly the extent to which the program tends to direct itself.

One of the original things that our members - or I should say our committee that reviewed this particular legislation - responded to was, if we have eminent domain procedures, why don't we use them. If we are going to spend money, why don't we spend the money in the particular fashion that is already dictated by law if we intend to take land out of development. Obviously, this is an experiment, and we appreciate the fact that it is an experiment, but we must bring that to your attention, that there are ways to secure land under eminent domain, which is a tried and true practice for some time now.

The next question that we have, obviously, being developers is assuming that the State does purchase this development right, is it purchased in much the same fashion that we have heard discussed under the Transfer of Development Rights legislation; that is, does it create a right to develop and who has that right, and can it be used, or will it just fall into disuse because the State purchases it and it passes in perpetuity into nothing. We, of course, would have to feel that would be a terrible loss because it is another unit of vitally needed housing that will somehow never find its way to the market again, so we would like to ask that question, and obviously the bill in its current form doesn't direct itself to that at all.

We also have a question just raised today on some of the information that Secretary Alampi presented, and that is the fact that the farmer has the right to purchase back a development right assuming that it becomes uneconomical to farm. I don't mean to be cynical or critical, but there I could see an immediate area of disuse. Let's assume a farmer were to sell off this development right to the State and then as the pressures for development were to heighten, at that particular point he could see where he could double or triple or quadruple that development right, at that time claim it was uneconomical and get the right back and sell it all over again for considerably more, so you have in a sense defeated the purpose of the program. I am not saying that farmers are going to do that, but I think everybody will admit that there are bad builders, but there are also bad farmers and bad lawyers and bad doctors, and people who will misuse a right in that particular form.

The other question that I have been wrestling with and our association has been wrestling with was the one that was discussed here briefly before, and that is where should you buy this land? Should you buy it where the pressures are the greatest? Or should you buy it where the pressures are the least? Given the amount of money involved, obviously you are going to have to buy it where the pressures are the least, and hopefully thereby never create a pressure for development. But then your question is, what does that prove? What does it answer? And I will tell you, I don't have an answer for it, and I offer it to the Committee, so that you will wrestle with it.

ASSEMBLYMAN STEWART: Thank you.

MR. COCUZZA: One last thing, and I think this is something the Committee ought to very seriously look into, and that is the amount of land that could be developed today that is preserved in one form or another. I have seen statistics, and I think they come from the Society for Economic and Environmental Development, which show that close to 60% of the land which is developable today is preserved in some way, shape or form. It is either wetlands, repairing lands; it is state parks, preserves, Green Acres, whatever. But if you take all of the land and add it all up, you will find that about 60% is out of the development. This is where we have our most difficult problem. I think it is important to preserve the agricultural community. I think it is important to preserve places like the Wharton Tract and those things which we are working so hard to preserve, but I tend to see it - we are preserving these for future generations. But I also have to ask the question, where are these future generations going to live?

I can tell you right now that the housing industry in New Jersey is at its most depressed state since after the war or since before the war, or since they have been taking statistics, and we need --- excuse me. The point was made before that farming is expensive in its use of land. Well, I can tell you that housing development is expensive in its use of land. We need a lot of land. There is no question about that. But we think we use that land wisely in that we house people on it. After all, it is one of man's three basic needs, as is food.

We also believe - and have worked very diligently, we feel, over the years to show that there is a way to have development but preserve open spaces, preserve agricultural land, and have the two go hand in hand, and we would like to see more of that thinking where the two can actually survive in concert. If there are any questions, I will be happy to answer them.

ASSEMBLYMAN STEWART: Phil, you really don't have any objections to the bill, I gather. You object to the lack of guidelines.

MR. COCUZZA: Yes, definitely.

ASSEMBLYMAN STEWART: But with the principle, you say you have no problem.

MR. COCUZZA: From the point of it being an experimental program, I don't imagine it would be intelligent to object to it, really. I will tell you, we kind of sort of, have a fear of the unknown, truthfully. I know that our members immediately react to this kind of legislation because they want to know what it is going to mean to them, and how is it going to work, and where are they taking land from us next. But I think from an experimental point of view we ---

ASSEMBLYMAN STEWART: The farmers have that same fear. Secretary Alampi can tell you that. That fear is there. Do you feel that possibly as a result of this test program you may be able to find that happy medium point somewhere, and that really the agricultural preserve can be a part of the residential community, or don't you see that ever happening?

MR. COCUZZA: We think it can be done. We very seriously do believe that can be done, that there can be development and that you can still preserve, if it is done with that particular intention in mind. And if it is done -- it is an enlightening thing. It is not going to be done in the aura that we have today, that the developer generally faces - you know, that he is out to rape the land again. I think if the developer were given the opportunity to use some imagination and planning, I think we would see a lot more imaginative planning where preservation and development could go hand in hand.

ASSEMBLYMAN STEWART: I could see the advantage of that. I live in a rural area myself. I think it is an advantage to buy residential property knowing full well that the land maybe across the street from you or down the road from you is never going to be developed.

MR. COCUZZA: That's true.

ASSEMBLYMAN STEWART: To a lot of people that is their dream, not to have to live in a blacktop neighborhood where you see houses and streets and apartments as far as you can see. You know, the possibility is there. The farmers have their own stories on that. They feel that once the housing starts, then the complaints about spraying the fields and the dust and the fertilizers and all that starts, and then problems start, but I guess that is something we will have to try and deal with independently of this bill.

Are there any further questions?

ASSEMBLYMAN BAER: I have a question I want to ask. In reference to this area of, I guess, guidelines and review procedures - and I am not talking about it from the point of view of the qualifications of an appraiser - but in terms of guidelines for site selections, would you be interested in or able to submit to the Committee any ideas of yours that would attempt to make compatible the acquisition of very high quality farmland development rights while still providing means for separating out the very high quality development land whose agricultural utility is not as great, tying together any other factors that you think are important, be that in terms of the local master plan or whatever? I think this is an area the Committee could use some guidance in, and by the way, although I didn't mention it before, I would certainly welcome any proposals from

Secretary Alampi and his Department on guidelines we might consider legislatively that would effectuate your concerns.

MR. COCUZZA: I certainly will bring it back to our committee to see if we can prepare the kind of guidelines you are talking about. I don't know if we have enough information available to us. I am sure we can get it. Again, due to the expediency of time, I certainly intend --- I think that is the kind of thing that we probably would want to contact the Secretary on, to go down and sit and talk with him to find out what their ideas are before we could even begin to formulate our own, at this point, the idea being we don't know that much about it, truthfully, because there is not that much there in the bill.

ASSEMBLYMAN BAER: The idea of such a conference strikes me as an excellent idea.

MR. COCUZZA: I am sure we will contact them.

ASSEMBLYMAN BAER: I realize there may be problems in just singling out a little island of good developable land in the midst of agriculture too that you may want to try to have larger areas of land at a given minimum size, not only because of the pesticides and other problems that are mentioned here -- I think Secretary Alampi is concerned here with having an agriculturally viable region, so that it will support other things, and criteria that may be applying to the developer's concern that also may have a weight in terms of helping. But I would think that it would be a prime goal of this Committee to try and reconcile the concerns of both major sectors of the economy, if possible, and if there is anything that you could further develop in sitting down with Secretary Alampi, I think it would be very valuable.

MR. COCUZZA: We certainly will.

MR. FERGUSON: I have a further comment to make. I think Assemblyman Baer has touched upon something. Within the next month Phil and I will be testifying before at least three separate committees of the Legislature on land use programs or schemes. I think the problem that you Assemblymen are alluding to is that as we address this one problem we find another bill moving down the road that tends to counter what this particular committee is doing, and it points out once again that New Jersey really does not have a long-term land use program for its State, and we are taking it as we have done with taxes, if I can draw the comparison, piece by piece, and we may wind up in the year 2000 with a hodgepodge, and it may well be that this committee is going to have to touch base as we get into the Transfer of Development Rights Bill. That is on our docket for a meeting next week. We also have Senator Greenberg's bill that says that there will be housing quarters assigned, and so it creates a problem for the industry to be positive on some of these things, when we recognize the other forces coming at us, that you may not be aware of.

ASSEMBLYMAN STEWART: Would you give us a list of the other bills that you are talking about?

MR. FERGUSON: Certainly.

MR. COCUZZA: May I just add one more thing. You know, this may be the perfect opportunity to do that kind of a study. I don't think there is any need for great haste right now. Development, if you look at building starts and building permits, it is truly at the lowest ebb in many, many years. Last year there were less than 20,000 starts in the State and that is including 6,000 multi-family which were primarily in HFA and urban areas anyway. So they are at the absolutely lowest ebb, and there is absolutely predictable upturn as of right now, so perhaps during this particular period, when the industry is in such a problem, and there really are no great pressures for development today, you know, from the point of view of ongoing building in the State as of right now,

perhaps this is an excellent time to take a step back and study our problems and do it without running ahead hastily without considering all the aspects of what we are doing.

ASSEMBLYMAN STEWART: Thank you very much for your time. I would like to thank all of you for coming today. I think since it is now four o'clock, unless there are some questions for the record, we consider the public portion of the hearing closed. Thank you.

(Hearing concluded)

* * * *





STATE OF NEW JERSEY
DEPARTMENT OF ENVIRONMENTAL PROTECTION
DAVID J. BARDIN, COMMISSIONER
P. O. BOX 1390
TRENTON, N. J. 08625
609-292-2885

February 20, 1976

Hon. Donald H. Stewart
Chairman, Assembly Committee
on Agriculture and Environment
c/o Legislative Services Agency
State House
Trenton, New Jersey 08625

Dear Mr. Chairman:

A-1334 is a proposal to appropriate bond funds made available by the voters of New Jersey when they approved the third Green Acres Bond issue in November 1974. The bill would enable the Departments of Agriculture and Environmental Protection to undertake a pilot program to test the feasibility of State acquisition of development easements on agricultural lands.

There are, it seems to me, three basic issues which the Committee must evaluate in considering the proposal: 1) Eligibility, 2) Economics, and 3) Benefit. A brief presentation of the Department of Environmental Protection's position on these follows:

1. Chapter 102 of the Laws of 1974, enacted September 19, 1974 and approved by the voters on November 5, 1974, in no less than three separate places, emphasizes the acquisition of lands for "conservation purposes" and "conservation of natural resources", as distinct from the acquisition of lands for public recreation. The law further admonishes the State of New Jersey to "act now to acquire...such lands now available...so that they may be preserved..." Finally, Chapter 102 in asking that the Department avoid acquiring agricultural lands whenever possible mandates, "in lieu thereof, whenever feasible, development rights, conservation easements and other interests less than a fee simple shall be acquired". The project proposed to be funded is in harmony with both letter and spirit of the Green Acres law.

2. The Legislature, recognizing that all of the funds authorized by the 1961, 1971 and 1974 Green Acres Bond Acts would not be adequate for the fee simple acquisition of all the conservation lands needed to protect New Jersey's future, instructed my Department to seek less-than-fee purchases. Earlier, very

limited and isolated efforts to achieve this objective were not fruitful. This current proposal would allow for a structured, controlled test of the economic potential for the purchase of development easements. The careful, deliberate approach now proposed will, I feel, represent the first major effort to meet the Legislature's long-standing instructions concerning less than fee purchases. (The successful application of this proposal would also result in a direct budgetary benefit to the communities in which the easements are purchased. Under fee simple state acquisitions, payments in lieu of taxes are made to affected municipalities for only thirteen years. Under this proposal, lands currently paying taxes under the Farmland Assessment Act would, after purchase of the development easements by the State, continue to be productive sources of property tax revenue to the community.)

3. The issue of benefit is also, it seems to us, a compelling one. Although actual physical access to the lands from which easements will be purchased would in most instances be limited and even denied the citizens of the State, a number of equally important and attractive benefits would nevertheless result. Consider for example, the aesthetic, psychological and even spiritual uplifting which visual access to agricultural/conservation lands can and will continue to have to residents of our heavily urbanized areas. Consider also the recreational and educational values to younger residents of New Jersey of observing and enjoying the sight and study of operational farms. In addition, just as fish and wildlife residing in, and passing through our state, depend in ever increasing measure on the lands which we acquire for their habitat and livelihood, so the agricultural lands conserved by Green Acres will represent a resource for the very survival of man.

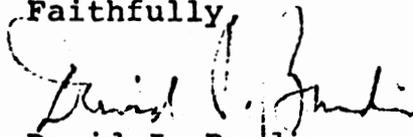
I want to emphasize that under the current proposal Green Acres would buy a recognized interest in real property: the conservation easement. Any sale would involve a regular deed to the State which would be duly recorded, thereby binding all present and future owners of the farmland. The right to develop would thereby be transferred to the State and locked away for the benefit of its citizens in perpetuity. The farming right would remain private property of the farm owners, their heirs and assigns, but could be purchased at a later date if access for recreational development were deemed essential.

The proposed program must be carefully developed before conservation easements are actually purchased: For example, we will not spend Green Acres funds on conservation easements for isolated parcels; there will have to be assurances of a "critical mass"...of a substantial, proximate agricultural preserve of a meaningful scale.

Hon. Donald H. Stewart
February 20, 1976
Page 3.

We recommend the favorable consideration of your Committee and of both houses of the Legislature. Please be assured of my, and my staff's availability to expand on the contents of this letter and to provide any additional information you deem essential to your deliberations.

Faithfully,



David J. Bardin
Commissioner

State of New Jersey

DEPARTMENT OF AGRICULTURE

PHILLIP ALAMPI, SECRETARY
TRENTON, N. J. 08625

DIVISION OF RURAL RESOURCES

RICHARD D. CHUMNEY, DIRECTOR

INFORMATION ON THE AGRICULTURAL PRESERVE

In 1973 the Blueprint Commission on the Future of New Jersey Agriculture recommended that an Agricultural Preserve be established. The Commission's recommendations were in response to the great loss of farmlands to development in recent years. A Preserve was to be created by the State purchase of "development easements" on farmlands selected for preservation. (A development easement represents the difference between market value and value for farming purposes. For example, a farm with a market value of \$1,000 per acre -- buildings excluded -- and a value for producing agricultural products of \$400 per acre, would have a development easement value of \$600 per acre.)

As a means of preserving agriculturally productive lands, the acquisition of development easements has important advantages.

1. Development easements on properly selected productive land are less costly than land acquisitions in fee simple.
2. The land itself remains in private hands and agricultural production continues under private control. The only "right" lost by owners will be the right to erect structures or otherwise develop their lands. Full compensation will be offered to owners for the loss.
3. Almost all State farmlands are now assessed at use value under the Farmland Assessment Act. The use value will continue to be assessed and taxed as before. There will be no erosion of municipal tax ratables.
4. Income from the sale of development easements will provide farm operators with needed capital for equipment and other purchases, thus aiding the New Jersey economy and increasing agricultural efficiency.

In April of 1975 the Governor's Commission to Evaluate the Capital Needs of New Jersey issued a report in which it recommended that a demonstration (pilot) project be undertaken to test the concept of preserving agricultural lands through the State purchase of development easements. In the Governor's 1976 annual message, the decision to proceed with the demonstration project was announced.

After a careful review of the entire State, the decision has now been made to proceed with such a demonstration program. Four central New Jersey municipalities have been selected for the experiment. The municipalities are Lumberton, Medford Township, Southampton, and Pemberton Township in Burlington County. They contain about 41,500 acres of farmland and have been selected because they are reasonably representative of municipalities containing mixed land use patterns. The actual purchase of development easements will be funded by the Department of Environmental Protection's Green Acres program. Operating responsibility for the project will rest with the Department of Agriculture's Division of Rural Resources.

Here is how the project will work. Within the next month all owners of farmland in the four municipalities will receive letters explaining program objectives. They will be notified that bid forms will be sent to them at a later date (about May 1) on which they may enter bids for what they think their development easements are worth, for whatever portion of their farm acreage they may wish to offer. Of course we will be working for maximum participation in the bid process of farmland owners.

Simultaneously, an educational program will be undertaken among farmland owners, municipal officials and the public to explain the Agricultural Preserve project and its anticipated beneficial effects upon all concerned.

July 1 will be a deadline for the receipt of all development easement bids. Upon receipt, all bids will be examined. Those obviously not suiting project objectives will be rejected. The remainder will be assigned to independent appraisers (paid for by the State) who will conduct two appraisals for each parcel bid. One appraisal will be to ascertain farming value and the other will be a market value appraisal. The difference between the two appraised values, of course, will represent the development easement value.

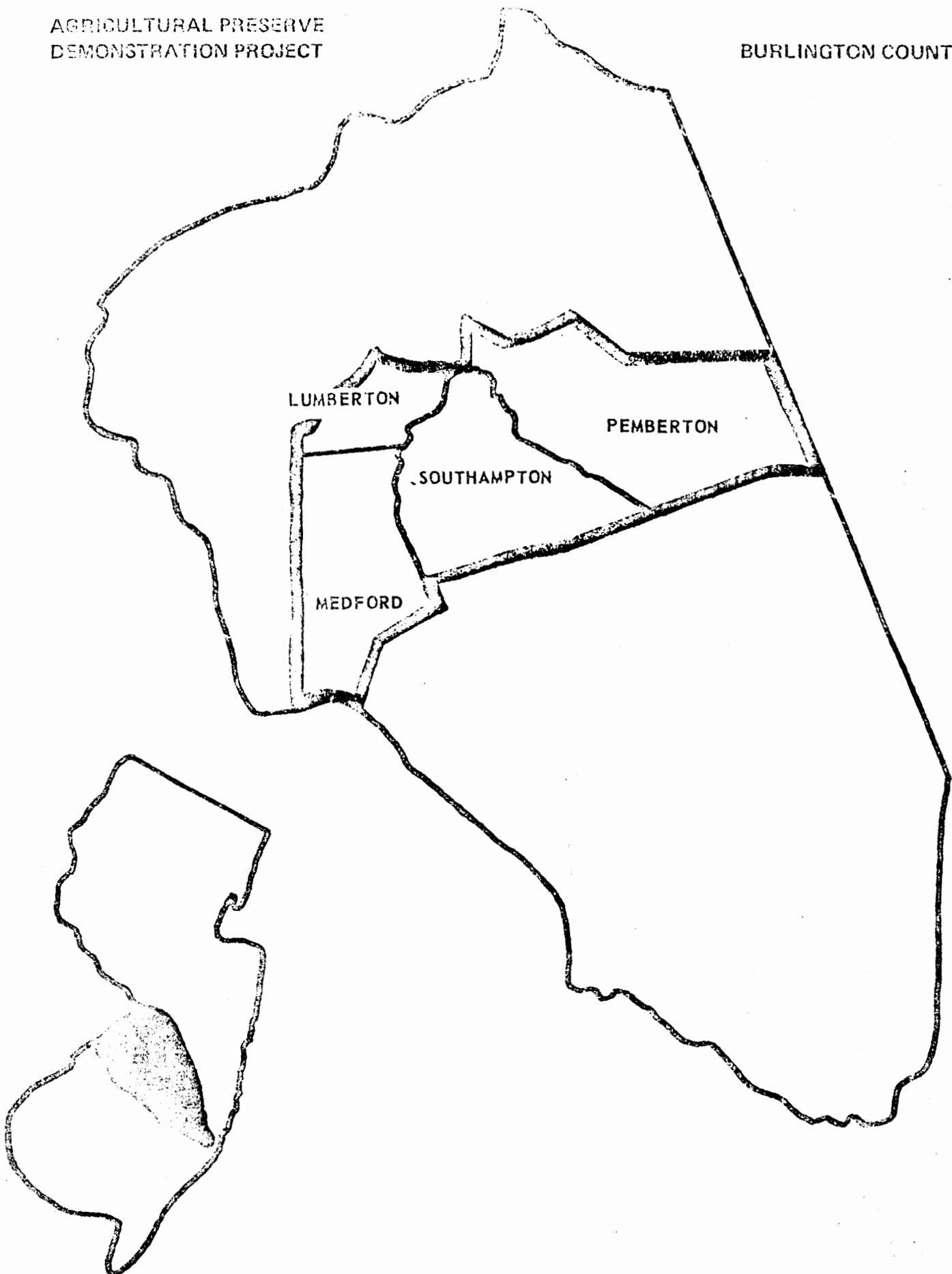
Appraised development easement values will be compared with bid prices. If the two are similar, a purchase offer will be made to the owner to acquire the proffered development easements. In those cases where easement bid levels substantially exceed appraised values, bids will be rejected.

The landowner selling his development easements to the State will agree to a deed covenant that will prohibit any new construction, except that needed in a normal farm enterprise. New houses could not be built except to replace existing residential structures. Modification of existing houses would be permitted up to \$20,000. More could not be spent without State permission. These restrictions will protect the Preserve against all development.

If successful, the Agricultural Preserve will be extended to other areas, funds permitting.

AGRICULTURAL PRESERVE
DEMONSTRATION PROJECT

BURLINGTON COUNTY



TOTAL DEMONSTRATION AREA

Total Acreage		<u>102,867</u>
Farm Acreage:		
Cropland	22,714	
Pasture	4,613	
Woodland	<u>14,169</u>	
Total Acres	41,496	
Publicly Owned Acreage	<u>10,367</u>	
Population		41,420
Population Per Square Mile		<u>258</u>
Total 1974 Assessed Property Value (equalized)		<u>\$381,223,000</u>
Number of Farmland Owners		530
Number of Farmland Parcels		<u>771</u>

LUMBERTON TOWNSHIP

<u>Total Township Acreage</u>		<u>8,506</u>
Farm Acreage:		
Cropland	4,413	
Pasture	793	
Woodland	<u>940</u>	
Total Acres	6,146	
<u>Publicly Owned Acreage</u>	<u>60</u>	
Population		4,540
Population Per Square Mile		<u>341</u>
<u>Total 1974 Assessed Property Value (equalized)</u>		<u>\$42,922,000</u>
Number of Farmland Owners		75
Number of Farmland Parcels		<u>106</u>

MEDFORD TOWNSHIP

<u>Total Township Acreage</u>		<u>25,805</u>
Farm Acreage:		
Cropland	4,176	
Pasture	887	
Woodland	<u>2,948</u>	
Total Acres	8,011	
<u>Publicly Owned Acreage</u>	<u>1,754</u>	
Population		9,760
Population Per Square Mile		242
<u>Total 1974 Assessed Property Value (equalized)</u>		<u>\$147,918,000</u>
Number of Farmland Owners		94
<u>Number of Farmland Parcels</u>		<u>133</u>

SOUTHAMPTON TOWNSHIP

Total Township Acreage 27,270

Farm Acreage:
 Cropland 8,139
 Pasture 1,974
 Woodland 2,896

 Total Acres 13,009

Publicly Owned Acreage 79

Population 6,260
Population Per Square Mile 147

Total 1974 Assessed Property Value (equalized) \$70,697,000

Number of Farmland Owners 147
Number of Farmland Parcels 242

PEMBERTON TOWNSHIP

Total Township Acreage		41,286
<hr/>		
Farm Acreage:		
Cropland	5,986	
Pasture	959	
Woodland	<u>7,385</u>	
Total Acres	14,330	
Publicly Owned Acreage	8,474	
<hr/>		
Population		20,860
Population Per Square Mile		323
Total 1974 Assessed Property Value (equalized)		<u>\$119,686,000</u>
Number of Farmland Owners		214
Number of Farmland Parcels		<u>290</u>



STATE OF NEW JERSEY
DEPARTMENT OF AGRICULTURE
PHILLIP ALAMPI, SECRETARY
TRENTON 08625

Dear Farmland Owner:

You are shown on the tax lists of _____ as the owner of land qualified under the Farmland Assessment Act. As you may have heard in the news media, a demonstration Agricultural Preserve is being proposed in Lumberton, Medford, Southampton, and Pemberton Townships to preserve land for farming purposes.

In coordination with the Department of Environmental Protection's Green Acres program, the Division of Rural Resources, Department of Agriculture, has responsibility for managing the project and answering your questions.

The State proposes to purchase the development easements on appropriate farmlands within the four townships. Participation is entirely at the farmland owner's option.

A development easement is the difference between market value and value for farming purposes. For example, a farm with a fair market value of \$1,000 per acre (buildings excluded) and a value for producing agricultural products of \$400 per acre, would have a development easement value of \$600 per acre.

About May 1, 1976, owners of farmland will be sent formal requests for offering prices on development easements on any or all of their farmland. For instance, if you own 100 acres you may offer development easements for sale to the State on 100 acres or any portion of that amount. You also have the option not to participate at all.

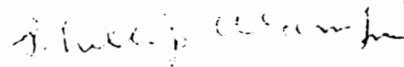
Should you elect to offer some or all of your development easements, we will examine your offering price, and if it seems reasonable, will arrange for independent appraisals (at no cost to you) of both the farming value and the market value. If the development easement price you offer is reasonably close to the appraised value, and assuming that a mutually acceptable price can be agreed upon, you will be fully compensated for the sale of your development easements.

Once development easements have been purchased by the use of Green Acres funds on a given property, the original owner retains all rights and title to the property, except the right to develop it for other than agricultural purposes. The owner may farm the property or sell it to a person who will use it for agricultural purposes. Among other advantages, this enables the owner to avoid estate tax problems which could cause the forced liquidation of farm real estate.

Should you decide to submit an offer, it would be well to seek professional advice as to the real value of your development easements.

This letter is intended to give you preliminary information on the Agricultural Preserve. We will be holding a series of meetings in the four townships, as well as again communicating with you by letter. In the meantime, if you have any questions, please call 609-292-5511, or write to Mr. John P. VanZandt, Coordinator of Rural Resource Services.

Sincerely yours,



Phillip Alampi

Enclosure: Information Sheet



State of New Jersey

DEPARTMENT OF AGRICULTURE

PHILLIP ALAMPI, SECRETARY
TRENTON, N. J. 08625

DIVISION OF RURAL RESOURCES

RICHARD D. CHUMNEY, DIRECTOR

QUESTIONS RAISED AT A-1334
HEARINGS ON FEBRUARY 23, 1976

STATEMENT: If the Demonstration Project fails, all further efforts to preserve farmland will be abandoned.

FACT: 1 - If the project fails, the effects would be far less catastrophic than would be an unsuccessful effort involving 750,000-1,000,000 acres.

2 - If the project fails, other alternatives for preserving farmlands are available. For example, a mandated program for acquiring development easements; purchases of farmland in fee simple; the use of Transfer of Development Rights.

STATEMENT: The demonstration project is poorly planned and conceived.

FACT: The Committee has in its possession documents indicating the depth of project planning and supporting research efforts by the Department of Agriculture.

STATEMENT: Easements can be acquired on only 2,500 acres for the \$5,000,000 authorized in A-1334.

FACT: If a good response is obtained from farmland owners in offering easements to the State, our estimates (based on actual farmland sales) indicate that easements on 6,000 to 7,500 acres can be purchased.

STATEMENT: Why were Lumberton, Medford, Pemberton and Southampton Townships selected instead of some other area?

FACT: Twelve different potential areas were considered for the pilot area. They ranged from selected municipalities in Sussex County through other municipalities in Warren, Hunterdon, Somerset, Mercer, Middlesex, Burlington, Salem, Cumberland, Gloucester, Monmouth, Cape May, Ocean and Atlantic Counties.

The four selected municipalities were chosen because they are a reasonable facsimile of a typical New Jersey farming area. Farmland values are about average for the State; the rural-urban land use pattern is fairly representative of the State's farmland area; and the four townships are geographically located so as to be highly visible to the public.

STATEMENT: The farm operator who sells his easements may find in the future that farming is no longer economically possible. The demonstration project does not provide an acceptable means of exit from the agricultural preserve for such an individual.

FACT: It is unlikely that farming will ever become so unprofitable that farming values would be substantially affected. On the contrary, farming values are expected to continue to rise under the dual pressures of a continuing world-wide food shortage and inflation. In the case of those farms that become encircled by urban development, it is reasonable to anticipate that the nature of agricultural production will change to high value commodities such as nursery and horticultural production, sod and other specialty products - just as has happened in Bergen County and other highly urbanized localities.

If the unexpected happens and farming seems no longer economically profitable, the owner may file a statement to that effect with the State. The Department of Agriculture will investigate the owner's claim and, if it concurs, will recommend to the State House Commission that the easements be sold back to the owner at the current market value. This procedure is obligatory and is prescribed in N.J.S. 13:8A-13.

There is also the possibility that the State could offer to purchase the farming value. This alternative is subject to the availability of Green Acres' funds at that time.

STATEMENT: The original Blueprint recommendations are quoted as costing either \$1,300,000,000 or over \$8,000,000,000 for a 1,000,000 Agricultural Preserve. Which is correct?

FACT: The \$8,000,000,000 cost estimate refers to the original Blueprint in which owners of farmland, located in a mandatorily designated Agricultural Preserve, could tender their easements to the State at any time in the future and receive payment in terms of value levels prevailing at that time.

The \$1,300,000,000 figure is the estimated 1976 cost of easements on 1,000,000 acres.

STATEMENT: The demonstration project local Steering Committee should not participate in the decision to acquire easements on specific parcels.

FACT: All members of the Steering Committee have been advised that they will not participate in the matter. Parcel selection will be made jointly by the Department of Agriculture and the Department of Environmental Protection.

STATEMENT: The allocation of \$5,000,000 in Green Acres' funds to the four Burlington County townships may reduce the amount of Green Acres' funds available to other county municipalities. 15x

FACT: The Department of Environmental Protection states that the demonstration project will have no effect upon the allocation of Green Acres' funds to other Burlington County municipalities.

STATEMENT: The acquisition of development easements in the project area will force up the price of remaining developable land in the four townships.

FACT: Assuming that about 80,000 acres in the four townships are developable, the largest number of acres on which easements might be obtained would not exceed 10% of the 80,000. Most of the acreage on which easements may be acquired will be relatively remote from developed areas. It is unlikely that the removal of this acreage from the development market will have a significant effect upon land prices.

STATEMENT: In economic terms, what are the basic objectives of the demonstration project?

FACT: The project objective is to obtain easements on the maximum number of prime farmland acres at minimum cost. This means that easements on acreages under significant development pressure will not be purchased because the cost per acre would not fit program resources. The study of actual farmland sales in the four townships indicates that there is an adequate supply of farmland at reasonable value levels to meet program economic objectives.



State of New Jersey

DEPARTMENT OF AGRICULTURE

PHILLIP ALAMPI, SECRETARY
TRENTON, N. J. 08625

DIVISION OF RURAL RESOURCES

RICHARD D. CHUMNEY, DIRECTOR

DEMONSTRATION PROJECT TO PRESERVE FARMLANDS

GUIDELINES

PROJECT OBJECTIVE:

TO ACQUIRE DEVELOPMENT EASEMENTS ON A MAXIMUM AMOUNT OF PRIME FARM ACREAGE AT MINIMUM COST TO THE STATE.

GUIDELINES:

1. All farmland owners in the demonstration project area will be informed in detail of project objectives and procedures. Where possible, owners will be so informed on a face-to-face basis.
2. A Steering Committee will be established so that local input may be made available to project management. The Committee will be comprised of:

Two committeemen from each municipality.

One planning board member from each municipality.

Two members from the Burlington County Board of Agriculture.

One Freeholder from the Burlington County Board of Chosen Freeholders.

The director of the Burlington County Planning Board.

Ex officio members of the Legislature, the Department of Agriculture and the Department of Environmental Protection.

Steering Committee duties and responsibilities are:

- A. Communicate with land owners and citizens in the project area to inform them of the features of the Demonstration Project as well as the benefits to the owners in voluntarily offering their development easements to the State at realistic prices.

- B. Advise the Division of Rural Resources on those guidelines that should be furnished to farmland owners in making their development easement offers.
- C. After all development easement offers have been received, advise the Division which offers, if accepted, would conflict with municipality or county master plans or would otherwise seem unsuitable for inclusion in the agricultural preserve.
- D. Advise the Division of Rural Resources on the guidelines to be used in appraising the suitable land for its market and farm values.
- E. After appraisals are conducted on selected parcels, advise the Division which of those parcels (where the certified appraised values approximate offered prices) should or should not be accepted by the State.

NOTE: The objective in setting up the Steering Committee is to provide responsible advice and recommendations to the operating agency. In all cases, the State will make the final decisions on actual development easement acquisitions.

- 3. The Department of Agriculture, Division of Rural Resources, has operating responsibility for the project. It will:
 - A. Prepare, and continuously update estimates of easement values and other statistical information.
 - B. Prepare maps of the four townships showing locations of farmlands, parcel locations on which bids are received, and other data relating to the locational aspects of the Agricultural Preserve.
 - C. Develop guidelines for appraisers.
 - D. Prepare such additional rules and regulations for the project as may appear necessary as the project progresses and new experience is gained.
 - E. Schedule and conduct all informational meetings to be held with farmland owners and other interested groups.
 - F. Work with the Steering Committee for the purpose of keeping them informed on project developments. Obtain maximum input from the Committee in the discharge of their duties and responsibilities.
 - G. Establish rules for the guidance of farmland owners in submitting development easement offers. The rules shall encompass:

- a. A percentage limit on the amount of woodland that may be offered by an individual owner (excluding cranberry and blueberry bogs).
 - b. A clear statement that easement offers above a designated value per acre probably cannot be considered because of limited project resources.
 - c. A requirement that (except in the case of cranberry and blueberry bogs) easements may only be offered on Soil Conservation Service Classes I, II, and III land.
- H. With advice from the Steering Committees, conduct a review of easement offers from farmland owners. Select those offers for which farming value and market value appraisals will be made, based upon the following criteria:
- a. An offering price which represents value levels of a magnitude obviously beyond project resources will be rejected.
 - b. Offers not meeting minimum requirements as to soil classification and wooded areas will be rejected.
 - c. Remaining offers will be reviewed from the standpoint of reasonably contiguous parcels. Those offers representing isolated acreage will be rejected. Farming value and market value appraisals will be authorized for remaining offers.
- I. Arrange for farming value and market value appraisals.
- J. When appraisals are completed, compare appraised easement values with offering prices. In those cases where appraised easement values are significantly below offered prices, advise such owners of the differences between appraisals and offers. If an owner does not revise his offer, eliminate the offer from those being considered. Review remaining offers and, even though some may approximate appraised values, eliminate those whose per acre value is beyond project resources.
- K. Plot all acceptable offers on township tax maps. Determine the extent to which offered parcels are reasonably contiguous. Eliminate those parcel offers that represent farm acreage which is isolated from the group(s) of contiguous parcels.
- L. Have Steering Committee review remaining acceptable offers and obtain their recommendations for those parcels on which easements should be acquired.

- M. Review Steering Committee recommendations and make decision for Department of Agriculture as to the Department's position on the acquisition of specific easements.
3. Submit Department of Agriculture's recommendations for easements to be purchased to the final review authority. That authority shall be composed of designated representatives of the Department of Environmental Protection and the Department of Agriculture. They will make the final easement purchase decisions.
 4. A review and evaluation of the Demonstration Project shall be conducted at stated intervals by designated members of the Department of Environmental Protection and the Department of Agriculture. Designated members of the Legislature shall be invited to attend these sessions. These reviews shall be conducted, (1) immediately prior to the mailing of requests for offers to farmland owners, (2) immediately after easement offers have been received and preliminarily analyzed, (3) after appraisals have been obtained and compared with offers, and (4) at the conclusion of the program. At any of the points described above, the Demonstration Project may be continued, altered or terminated at the option of the appropriate review authorities.

Catania

The Township of **MOORESTOWN** MAR 1 1976

IN THE COUNTY OF BURLINGTON • MOORESTOWN • NEW JERSEY 08057

27 February 1976

Mr. Michael Catania, Committee Aide
Agricultural and Environmental Committee
Room 223, State House
Trenton, NJ 08625

Dear Mr. Catania:

Attached please find a copy of a resolution passed by the Planning Board of The Township of Moorestown on 26 February 1976. The Planning Board is indeed interested in the future of farmland use in the State of New Jersey.

They request the Committee to seriously consider the position they have taken, include this resolution in their proceedings and act favorably on the proposed bill.

If copies of proceedings of the Committee's hearings are made available to the public, the Planning Board would like to receive copies for their review and consideration.

Sincerely,

Gregory C. Fehrenbach
Deputy Manager

GC F:k
Enc.

The Township of *MOORESTOWN*

IN THE COUNTY OF BURLINGTON • MOORESTOWN • NEW JERSEY 08057

RESOLUTION

- WHEREAS, a bill is now before the Assembly (A-1334), which would appropriate \$5,000,000 of Green Acres Funds to finance a pilot program for the purchase of Development Rights to preserve farmland, and
- WHEREAS, the Planning Board of The Township of Moorestown has been studying the issue over, at least, the past eighteen months and believes it to be a worthwhile idea, and
- WHEREAS, the Planning Board of The Township of Moorestown is currently reviewing its General Development Plan with the intention of including such a policy within said plan, and
- WHEREAS, the Planning Board of The Township of Moorestown has, on earlier occasions, requested Township Council to take appropriate action indicating The Township of Moorestown's support for farmland preservation methods, and
- WHEREAS, the Township Council of The Township of Moorestown did pass a resolution recommending to the State of New Jersey that methods be developed and implemented to preserve farmland throughout the State, now, therefore,

BE IT RESOLVED by the Planning Board of The Township of Moorestown in the County of Burlington that:

1. The Planning Board hereby expresses its approval for Assembly Bill A-1334, and requests that the Bill be modified to include farmlands within The Township of Moorestown for purchase of Development Rights or Easements, on a negotiated basis, and that the Legislature of the State of New Jersey is hereby requested to act with all due speed on this measure so the State will be able to save and preserve its productive farmland and rural landscape.

The Township of *MOORESTOWN*

IN THE COUNTY OF BURLINGTON • MOORESTOWN • NEW JERSEY 08057

September 22, 1975

BE IT RESOLVED by the Township Council of The Township of Moorestown in the County of Burlington that the Mayor is hereby authorized to send a letter representing the Township to Governor Byrne, Senator Hughes, Assemblyman Barbour and Assemblyman Yates, supporting the Township's agreement with the objectives of the "Report of the Blueprint Commission on the Future of New Jersey Agriculture" and the objectives of Assembly Bill 3192; also supporting the Township's opinion that it does not have the adequate tools to preserve open areas and farms from the thrust of urban development; and requesting that the enactment of legislation to establish the mechanics of Open Space Conservation be given a high priority.

Certified to be a true and correct copy of a resolution adopted by the Township Council at a regular meeting on September 22, 1975.

Doris M. Fisher
Township Clerk

September 23, 1976

This letter also sent to Senator Hughes
Assemblyman Barbour
Assemblyman Yates with attached resolution

The Honorable Brendan T. Byrne
Governor of New Jersey
State House
Trenton, New Jersey 08625

Dear Governor Byrne:

Our Township of Moorestown lies at the fringe of the greater Philadelphia/Camden suburban area. By careful attention to the patterns of township growth over many decades, approximately one-half of the township area has been developed into a fine community.

The eastern half of the township remains undeveloped with much of the acreage being actively farmed. This area constitutes the western boundary of an increasingly rural area as one progresses further east or further south into Burlington County.

Our farm areas are under heavy pressure from real estate interests. As a township, we do not feel we have the necessary tools and resources to adequately preserve open areas and farms from the thrust of suburban development

We are in agreement with the objectives stated in the April, 1973 "Report of the Blueprint Commission on the Future of New Jersey Agriculture." We are also in agreement with the objectives of Assembly Bill 3192, "Municipal Development Rights Act."

Moorestown has participated in the Green Acres program. While this is a desirable program, it cannot practically achieve large scale open space conservation, or the preservation of farm lands.

The Moorestown Planning Board recently received an application for the subdivision of land in the very heart of the township farm area. The need for action, at all levels of government, is urgent if we are to preserve open space for future generations, and preserve the farm industry. Legislative action to establish the mechanics of open space conservation is needed. Please place such action high on your list of priorities.

Sincerely,

William A. Angus
MAYOR

Testimony on Bill A 1334

March 1, 1976

by Esther Yanai

As a member of a planning board in a developing area (see the planning board's resolution of February 26, 1976 and a letter to Governor Byrne from Moorestown's governing body), I support the concept of using Green Acre funds to guarantee future open space by the purchase of development rights or easements, particularly when the open spaces are kept in agricultural use. Such a program could serve as a means of preserving some of the rural landscape that contributes so much to the physical setting of our communities while also serving as a first step in initiating a larger program to protect the future of New Jersey's agricultural industry.

Although the pilot program which A 1334 would finance may not immediately support plans that we would like to make for preserving agricultural areas in our township, we would be glad to see other townships benefit from it and hope that a broader application of this concept would soon follow.

Esther Yanai
PLANNING BOARD MEMBER
MOORESTOWN TOWNSHIP

FEB 24 1976

115 NORTH LAKESIDE DRIVE
MEDFORD, N. J. 08055

February 20, 1976

Assembly Committee on Agriculture and Environment
Legislative Service Agency
State House, Trenton, N.J. 08625

Attention; Michael F. Catania, Committee Aide

Re: Assembly Bill 1334

Gentlemen:

While I am testifying as an individual, I am reflecting the opinion of other members of the Pinelands Environmental Council and, I believe, the majority. Mr. Catania was advised today that I would appear in person at Monday's hearing but I am unable to do so and hope that this letter will appear on the record.

I am in favor of the bill and hope that it will be a successful first step in preserving and enhancing New Jersey's agricultural economy. However an important area of farming activity should also be considered immediately, not only to continue crop production but to preserve large areas of land as permanent open space,

The Pine Barrens of New Jersey produce the nation's largest crop of blueberries (about tie with Michigan) and the third largest craberry crop. In addition to land actually planted large buffer zones are owned by the farmers to protect the pure water sources so necessary to a successful harvest. This is especially true in the case of cranberries where the ratio of protective holdings to cultivated acreage may be as much as ten to one.

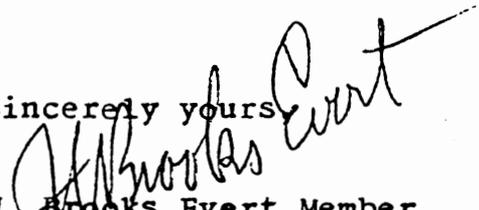
As important as guaranteeing the continuation of farming is there is an additional benefit - the cost factor.

115 NORTH LAKESIDE DRIVE
MEDFORD, N. J. 08055

The vitality of agriculture in the four counties involved in the legislation, as well as other counties in the State, has a high priority which should not be downgraded. On the other hand the development value of land adjacent to rapidly growing communities is much higher than most agricultural land in the Pine Barrens. Thus it might be possible to acquire development rights for as little as 10% of the cost in highly pressured areas. In other words perhaps ten times the amount of farmland and other open space could be preserved for the same amount of money.

In conclusion, I am not for one minute suggesting that Pine Barrens farmland be substituted for that described in the legislation but that early consideration be given to extending the treatment to land just as important but economically more attractive.

Sincerely yours,


W. Brooks Evert, Member
Pinelands Environmental Council



NEW JERSEY ASSOCIATION OF REALTORS®

ROBERT F. FERGUSON, JR.
Executive Vice-President

EXECUTIVE OFFICE: 46 PARSONAGE ROAD (201) 494-5616
MAILING ADDRESS: P.O. BOX 2098, EDISON, N.J. 08817

TO: MEMBERS OF THE ASSEMBLY AGRICULTURE AND ENVIRONMENTAL COMMITTEE
RE: ASSEMBLY BILL 1334

The 13,000 member New Jersey Association of Realtors favors the concept embodied in Assembly Bill 1334, however the Association cannot support the bill in its present form.

NJAR recognizes it is in the best interest of the residents of New Jersey to maintain a viable Agricultural Community within the bounds of economic reality.

NJAR supported the original Farmland Assessment Act as a means of conserving farm land. While the Act has slowed down the loss of farms we recognize that there will have to be additional programs adopted if New Jersey is to provide a place for the Agricultural Community.

The Association, after reviewing the Blue Print Commission report in 1973, opposed the recommendation that the state purchase the development rights for between 700,000 and 1,000,000 acres of farm land in 20 of our 21 counties. At that time NJAR urged a demonstration program similar to what the sponsors of A-1334 have conceived.

Despite our call for a demonstration program, NJAR cannot support A-1334 because in our opinion, the bill is nothing more than a mandate to spend \$5,000,000 of Green Acre Bond monies without the necessary safeguards or review procedures which must be contained if the program is to be adequately evaluated.

NJAR has read in the media that there exists in some areas a question as to the constitutionality of using Green Acres Bond Funds for this project. We therefore suggest this Committee secure an opinion from the Attorney General before releasing a bill.

Should the Constitutional question be resolved, as NJAR believes it will be then the Association recommends a "Committee Substitute Bill" be released which will contain standards which the appropriate Governmental Agencies must use in selecting the farm properties to be included in the program.

The bill must also contain a provision spelling out the time duration of the demonstration program.

In addition, NJAR feels it is important to include in the bill a clause which would permit the farmer to purchase back his development rights should the program be a failure.

NEW JERSEY ASSOCIATION OF REALTORS®

Any bill released by this Committee should also spell out that the Legislature would be the body that in fact would have the final right to review the program to determine the success or failure.

NJAR feels residents of the state are entitled to have their elected officials and not some faceless bureaucrat make this important determination.

In addition to the comments NJAR has directed toward A-1334 the Realtor Association would also suggest the Agriculture and Environmental Committee seek a ruling from the Internal Revenue Service on the tax treatment the farmer will be subjected to when selling or having his development rights condensed by the state.

While the bill is designed to aid the farmer, an adverse IRS tax ruling could make the program self-defeating.

NJAR appreciates this opportunity to place before you our thoughts on this historic legislation.

Thank you.

Sincerely,


Robert F. Ferguson, Jr.
Executive Vice President

RFF:kc

page 2-of 2 pages

ALC
ALL

The League for Conservation Legislation

Box 605, Teaneck, N. J. 07666

REPLY TO:

32 Lafayette Street
Trenton, N.J. 08608
February 25, 1976

Hon. H. Donald Stewart, Chm.
Assembly Agriculture & Environment Committee
The State House
Trenton, New Jersey 08625

Dear Mr. Stewart:

I wish to thank you for the opportunity to expand upon my remarks on Assembly Bill 1334, appropriating \$5,000,000 for the experimental purchase of development rights of active farmland. As I'm sure the committee is aware, the County of Suffolk, New York, has for the past few years had a similar program. From what I understand, it has been well received and fairly successful. The committee may wish to obtain more information about that program, before it proceeds with our New Jersey version.

As I indicated at the hearings, LCL agrees with the concept of the bill, but finds the specific legislation insufficient. Some of the specifics which we feel should be included are:

- a statement that the money is appropriated for purchase of development easements on actively farmed land in the four town area;
- a definition of farmland to be purchased, perhaps just using the definition from the farmland assessment act, or perhaps using a more stringent definition to assure that we are buying prime farmland;
- a provision prohibiting the farmer from repurchasing his development rights once they are sold to the State;
- in view of the overpayment for land in Middlesex County, the Act should establish a meaningful oversight provision to ensure that Green Acres funds are not wasted;
- a statement regarding public access to the farmland (LCL does not believe that every citizen should have open access to a tract which is being actively farmed just because Green Acres funds are to be used.)

- the respective roles of the Department of Agriculture & the Department of Environmental Protection;
- a process for reviewing the success or failure of the project, and recommending how to improve the program in the next stages, assuming that the legislature sees fit to expand it;
- a definition of what kind of new construction can be built on the property, restricting same to structures related to farming and to housing those actively associated with the farm; and
- the process by which the state will accept bids, appraise the property, and accept bids.

These are just a few of the things which should be in the bill. I do have two qualifications, however.

First, there should be maximum flexibility within the act for the Department of Agriculture and DEP to adapt to unexpected circumstances.

Secondly, time is important. Often important bills are not adequately scrutinized by the legislature due to a lack of time. On the other hand, important legislation is often bottlenecked in committee. One example is S 62h which took two years to go through the legislature.

LCL urges the committee to act swiftly to release the bill and to have it implemented as soon as possible. To do this quickly while at the same time giving it the scrutiny it both needs and deserves will be a challenge to the committee, one which I am sure the Committee can live upto.

Peace,



Bill Beren,
Legislative Agent

cc: Assemblyman Baer
Assemblyman Barry
Assemblyman Bassano
Assemblyman Kozloski
Secretary Alampi
Commissioner Bardin

The Prudential Insurance Company of America
Prudential Plaza, Newark, New Jersey 07101

MAR 2 1976

Donald S. MacNaughton
Chairman and Chief Executive Officer

February 27, 1976

Honorable H. Donald Stewart, Chairman
Agriculture and Environment Committee
New Jersey State Assembly
Trenton, New Jersey

Dear Assemblyman Stewart:

It has been suggested that the views of last year's Capital Needs Commission are relevant to your consideration of Assembly Bill #1334 which would establish an Agriculture Development Project to test the concept of acquiring development easements on farmland.

The Commission itself, which I was privileged to chair, has been disbanded. Therefore, the thoughts submitted are my personal views, although I do believe they reflect the intent of the Commission in its recommendations as to the preservation of agricultural land.

The Summary Report of the Governor's Commission to Evaluate the Capital Needs of New Jersey contained the following paragraph of recommendation:

"Land saving proposals have been advanced, such as the recommendations of the Blueprint Commission on the Future of New Jersey Agriculture and the concept of the transfer of development rights, as well as the possible merger of the two concepts. The Blueprint proposal would finance land saving through public purchase of restrictive easements; the transfer of development rights would do so through incentives to the private sector. Both offer potential, but each is unproven. The Commission urges that opportunities be sought to experiment with each in willing municipalities on a pilot basis, before attempting statewide application."

February 27, 1976

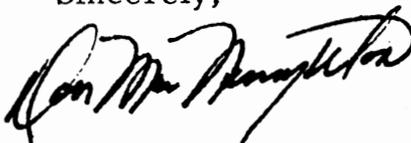
It is my understanding that the Development Project would allocate \$5 million of Green Acres bond funds to conduct an experiment in four communities of Burlington County along the general lines recommended by the 1973 Blueprint Commission Report.

As the Capital Needs Report indicated, such preliminary steps are much to be preferred to launching a wholesale program from the onset. It should also be stressed that standards must be established to assure that development easements will only be acquired where the farms are of reasonable size or contiguous to other plots on which easements exist. Furthermore, great care must be taken to insure the integrity of the appraisal process.

This pilot project proposal is in keeping with the spirit of the Capital Needs Commission proposal. I would urge your approval of the concept if you are satisfied with the safeguards employed to protect the public interest.

I do regret that my schedule precluded a personal appearance at your committee's public hearing on February 23, to which you were kind enough to extend me an invitation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Don M. Thompson".

PASSAIC RIVER COALITION

AN URBAN WATERSHED ASSOCIATION

246 MADISONVILLE ROAD, BASKING RIDGE, N. J. 07920 • PHONE (201) 766-7550

MAR 8 1976

March 2, 1976

Agriculture and Environment Committee
New Jersey Assembly
Trenton, N.J. 08600

Gentlemen,

We would appreciate your including our support of Bill A1334, sponsored by Barbour, Yates, Kane, and Forud in the record on the hearing.

The Passaic River Coalition is an urban watershed association concerned with the total environment of the state of New Jersey with particular emphasis on the wellbeing of the 3½ million people in the northeastern part of our state.

Certainly the many contributions that the citizens of this region have given to the state over the years, merits the consideration of all dedicated public officials. An appropriation of \$5 million for state programs to acquire and conserve lands for recreation and conservation purposes certainly will have a great benefit to all our citizens let alone those in the Passaic River Valley.

Inasmuch as we recieved our legislative index after the hearing was held, we are assuming that the record will be kept open long enough for our support to be placed on the record.

Very truly yours,



Ella F. Filippone
Chairman

3 4 x

EF/ct

FARMLAND PRESERVATION

DEMONSTRATION PROJECT QUESTIONS AND ANSWERS

QUESTION #1 ON HOW MANY ACRES DO YOU THINK EASEMENTS CAN BE ACQUIRED FOR \$5,000,000?

Answer Our estimates (which are based on actual farmland sales in 1974-75) indicate that easements on about 6,000 to 10,000 acres can be obtained. However, the number of landowners offering easements to the State and their offering prices vs. appraised values will supply the only reliable answer to this question.

QUESTION #2 SUPPOSE THAT I SELL MY EASEMENTS TO THE STATE AND AT A LATER DATE CONDITIONS ARE SUCH THAT IT IS NO LONGER ECONOMICALLY FEASIBLE TO FARM MY LAND. IS THERE ANY WAY I CAN BUY BACK MY EASEMENTS?

Answer Yes, it is possible to buy back easements under certain circumstances. However, it is unlikely that farming will ever become so unprofitable that farming values would be substantially affected. On the contrary, farming values are expected to continue to rise under the dual pressures of a continuing world-wide food shortage and inflation. In the case of those farms that become encircled by urban development, it is reasonable to anticipate that the nature of agricultural production will change to high value commodities such as nursery and horticultural production, sod and other specialty products - just as has happened in Bergen County and other highly urbanized localities.

If the unexpected happens and farming seems no longer economically profitable, the owner may file a statement to that effect with the State. The Department of Agriculture will investigate the owner's claim and, if it concurs, will recommend to the State House Commission that the easements be sold back to the owner at the current market value. There is also the possibility that the State might offer to purchase the farming value. This alternative is now being investigated.

QUESTION #3 HOW DOES THE DEMONSTRATION PROJECT COMPARE WITH THE BLUEPRINT COMMISSION PROGRAM?

Answer	<u>BLUEPRINT</u>	<u>DEMONSTRATION PROJECT</u>
A.	Establish a 1 million acre Preserve.	About 10,000 acres or less.
B.	Utilizes development easements.	Same.
C.	No time limit as to when easements can be sold to the State.	Easements sold at inception of program.

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| D. | SCS soil classifications to be used as basis of selecting lands in Preserve. | Qualification under the Farm-land Assessment Act is first criterion. (See Q #5) |
| E. | Local municipalities would mandate which lands to be included in the Preserve. | Entirely voluntary on the part of the owner. |
| F. | Permits sale of easements to third parties. | All easements will be purchased by the State. |
| G. | To be funded by a 4 mil real estate transfer tax. | \$5 million Green Acres funds. |

QUESTION #4 WHY IS THE PROGRAM CALLED A DEMONSTRATION PROJECT RATHER THAN JUST GOING OUT AND BUYING DEVELOPMENT EASEMENTS?

Answer Because we do not know the answers to certain questions that can make or break the project. The things that we do not know are:

1. How many land owners are willing to voluntarily offer their easements?
2. How many acres will they offer?
3. How will offered prices compare with appraised values?
4. Of those offers that approximate appraised values, to what extent will the offered acreages be reasonably contiguous?
5. From the standpoint of agricultural productivity, to what extent can easements be acquired on the best farmland?
6. How will the Agricultural Preserve fit in with municipality master plans?
7. To what extent will easements be offered on the least costly farmland versus easements offered on the most expensive land?

QUESTION #5 ARE YOU GOING TO BUY EASEMENTS ON THE BASIS OF PRICE ALONE, OR ARE YOU GOING TO LOOK AT THE AGRICULTURAL PRODUCTIVITY OF THE LAND?

Answer We will look at the agricultural productivity by using Soil Conservation Service data for individual parcels.

QUESTION #6 IF I SELL EASEMENTS TO THE STATE, WHAT WILL YOU DO TO PREVENT ME FROM BEING HARRASSED BY LOCAL AND STATE NUISANCE LAW VIOLATIONS?

Answer We will continue the effort the Department of Agriculture has been making for many years to ameliorate these conditions.

QUESTION #7 HOW WILL THE COUNTY/TOWNSHIP STEERING COMMITTEE PARTICIPATE IN DEMONSTRATION PROJECT PLANNING?

Answer The Steering Committee will advise the Division of Rural Resources on project guidelines and the selection of specific farmlands for preservation. It will also help publicize the project so that farmland owners are aware of project details.

QUESTION #8 WHY DO YOU HAVE TO HAVE A SEPARATE FARM VALUE APPRAISAL? WHY CAN'T YOU USE THE PRESENT ASSESSED VALUE PLACED ON EACH PARCEL UNDER THE FARMLAND ASSESSMENT ACT?

Answer Because State law requires that appraisals must first be made on any parcel of real property being considered for acquisition by the State. In order to satisfy that statutory requirement, a farm value appraisal and a market value appraisal must be conducted to arrive at an appraised easement value.

QUESTION #9 IS IT TRUE THAT IF I OFFER MY EASEMENTS TO THE STATE, I CAN WITHDRAW THE OFFER AT ANY TIME PRIOR TO A SALE?

Answer Yes, your offer is not binding and it may be withdrawn.

QUESTION #10 IS THE STATE BOUND TO ACCEPT MY OFFER?

No, acceptance of an offer depends entirely upon how the appraised easement value compares with the offering price; the relative cost of your easements versus the amount of money available for easement purchases; and the location of the easements you offer.

QUESTION #11 IF I SELL EASEMENTS TO THE STATE, WHAT IS MY FEDERAL TAX POSITION?

Answer According to our information, your status would be as follows:

- A. The sale of a farmland development easement constitutes a capital gain (or loss). Other IRS requirements having been met, your gain will be treated as a capital gain rather than as ordinary income.
- B. In determining the amount of your capital gain, you may subtract the original cost of the specific acreage on which easements are sold from proceeds of the easement sale.
- C. If the owner of an easement elects to receive the proceeds in installments (not to exceed 30 percent in the first year), he will be taxed only upon the gain resulting from the annual amount received. Arrangements can be made with the State to spread easement payments over a period not to exceed three years.

D. Proceeds of a development easement sale may be transferred to another qualified investment, thus deferring payment of taxes on capital gains, only if a condemnation for public use is involved. The Demonstration Project is entirely voluntary, so apparently capital gains may not be transferred.

(NOTE: The preceding statements are advisory only. Each taxpayer is responsible for individually meeting IRS requirements.)

QUESTION #12 YOU SAY THAT THE SALE OF DEVELOPMENT EASEMENTS TO THE STATE WOULD HELP EASE THE ESTATE TAX PROBLEMS. HOW?

Answer Once having sold the development easements on a farmland parcel, estate taxes can no longer be levied against the market value of such land. Estate taxes can only be collected on the farming value. Since the farming value is substantially less than the market value, tax obligations are reduced accordingly.

Likewise, a farmland owner wishing to distribute a major portion of his estate during his lifetime could sell development easements and distribute all or a part of the proceeds to family members, thus avoiding estate taxes on the portion distributed.

QUESTION #13 CAN I OFFER EASEMENTS ON PART OF MY ACREAGE OR MUST I OFFER EASEMENTS ON ALL OF IT?

Answer You will be provided with maximum flexibility, but guidelines will be necessary to indicate certain limitations on offers. For example, it might be necessary to place a percentage limit on woodland that could be offered by a single owner. These are questions that will be answered with the assistance of the County/Township Steering Committee and you will be so advised when the request for offers is sent to all land owners.

QUESTION #14 IF I DECIDE NOT TO MAKE AN OFFER ON MY EASEMENTS, WILL I HAVE ANOTHER OPPORTUNITY LATER ON?

Answer We cannot offer any assurance that you will have a second chance.

QUESTION #15 IF I SELL MY EASEMENTS, AM I FORCED TO CONTINUE FARMING THE LAND?

Answer No.

QUESTION #16 IF I SELL MY EASEMENTS, WHAT CAN I USE THE LAND FOR IN ADDITION TO FARMING?

Answer Some permitted uses are hunting, fishing, hiking, camping, nature studies, horseback riding, bicycling, swimming, boating, and cross-country skiing.

QUESTION #17 IF I SELL MY EASEMENTS, MUST I PAY THE 3 1/2 MIL TRANSFER TAX?

Answer No. A sale to the State is not subject to the transfer tax.

QUESTION #18 IF I SELL MY EASEMENTS, HOW WILL MY LAND BE ASSESSED FOR TAX PURPOSES?

Answer Because the State has purchased your development easements, the land can never be assessed for more than its use value.

QUESTION #19 IF I SELL EASEMENTS ON LAND THAT HAS BEEN ASSESSED UNDER THE FARMLAND ASSESSMENT ACT, MUST I PAY THE "ROLL-BACK" TAX?

Answer No, not as long as the land continues to be used for agricultural or horticultural purposes.

QUESTION #20 THE DEMONSTRATION PROJECT IS TOO SMALL. WHY DON'T YOU FOLLOW THE ORIGINAL BLUEPRINT COMMISSION'S RECOMMENDATIONS AND BUY EASEMENTS ON 1,000,000 ACRES?

Answer For two reasons:

1. Cost projections indicate that total expense to the State would be unacceptable in view of other State fiscal needs.
2. On an issue as important as preserving farmlands, it would be unwise to plunge into a major program without first gaining prior experience. This is a common business procedure and we think it is equally applicable to a State-sponsored program.

NEW JERSEY FARM BUREAU TESTIMONY

REGARDING A 1334

Mr. Chairman, members of the committee, ladies and gentlemen: My name is Arthur H. West and I am a farmer who raises grain, strawberries, greenhouse tomatoes and flower and bedding plants on my farm in Upper Freehold Township near Allentown, New Jersey.

I appear here today as President of the New Jersey Farm Bureau, an organization of 4300 farm families in New Jersey. Our membership is entirely voluntary and is made up of most of the commercial farmers in New Jersey representing from the smallest family-operated farm consisting of only a very few acres of specialty crops to farms consisting of thousands of acres and hiring large numbers of farm workers. I want to start by expressing to the committee my sincere appreciation for this public hearing on this most important subject. I am sure this hearing will help to air all the various aspects of farmland preservation and this proposal and should certainly help resolve whether or not we should go forward with a pilot project such as is proposed in A 1334.

New Jersey Farm Bureau, has, for many years been recommending a farmland preservation program in New Jersey. Our reason is sincere and genuine. Agriculture is a basic industry in New Jersey as well as throughout the entire country and must be preserved if future generations are to eat.

In New Jersey we have lost thousands of acres of excellent farmland to urban, suburban and industrial development during the last 25 years. In fact, we have lost so much good farmland that in many areas of New Jersey, the economics of conducting successful agribusiness ventures is so bad that

we have seen an exodus of such businesses including farm equipment dealers, food processors, fertilizer manufacturing plants, farm supply business, and so forth. All of which has had a severe economic impact on the entire state and to some degree attributing to some of the fiscal problems faced in many localities throughout the state at the present time. In addition to the overall economic impact, this exodus has made farming in some areas of New Jersey nearly impossible. A farmer needs the supporting agribusiness if he is to farm his land. He needs it to purchase his supplies, to purchase his machinery, to get his machinery repaired, to market his product and so forth. Agriculture cannot live alone nor can any other business live alone. This exodus, because of farmland loss has been very deteriorating to New Jersey agriculture.

In addition to this, the State of New Jersey over the last 20 years has been on a binge to bring everything under regulation. Regulations are certainly needed, but not to the degree that we have gone in New Jersey in trying to be a leader in regulating everything. In New Jersey we have been priding ourselves on the fact that our regulations were much more stringent than any nearby state and it must be remembered that these nearby states are the competition that New Jersey farmers must face when they sell their product.

It has been virtually impossible for many of our farmers to compete with the much less regulated farmers in neighboring states. Therefore, when the opportunity has been made available to them to sell their land at reasonably good prices it was certainly an easy decision for them to make to get rid of the pressures of running a business in a regulated society and at the same time obtain a fair price for their land.

While it is true that most farmers who have sold their land have done so at a very substantial financial benefit to themselves, the fact remains that many of these farms would still be producing food today had they not been forced out by excessive regulations.

Another area of concern that faces many farmers in New Jersey is high property taxes. This situation was partially corrected at least temporarily with the passage of the Farmland Assessment Act in 1964 which became effective in 1966. This one piece of legislation cut the loss of farms in New Jersey from three per day to one farm every other day. The Farmland Assessment Law has been very helpful but is only a partial answer because even today with the Farmland Assessment Law, we still, in New Jersey pay the highest tax per acre of farmland of any state in the nation.

In 1975 the average acre tax on farmland in New Jersey was in excess of \$30. per acre. Thus, another reason why farmers in New Jersey have yielded and continue to yield to real estate offers when opportunity presents itself.

In New Jersey we have had for many years the most stringent regulations on farm labor; more restrictive and with a higher minimum wage rate than any other state in this area of the country. Again, a major reason for farmers to yield to the real estate pressures when opportunity has presented itself.

I could continue with reasons why farmers have sold their farms all day, but I feel we should be addressing our efforts toward reversing the trend and not just complaining about it and that is Farm Bureau's purpose here today.

New Jersey Farm Bureau believes farming can and should be a part of New Jersey well into the indefinite future. We have good land; we have 20 million consumers at our back door; we have the know how to farm; plus we have urban neighbors who generally want farmers and open space in New Jersey. New Jersey Farm Bureau was especially pleased when Secretary Alampi in 1972

was directed to appoint a commission to draw up a farmland preservation plan by the Governor at that time. We were also pleased to have several Farm Bureau leaders as members of that important commission. New Jersey Farm Bureau felt that the Blueprint Commission did an excellent job of analyzing the problem and making recommendations for a permanent agriculture in New Jersey.

One of the main points established by the Blueprint Commission was that the thirteen point program they recommended must be considered in its entirety and could not be segregated piece by piece if we were to preserve agriculture in New Jersey. Another very important premise the Blueprint Commission agreed on early in their sessions was the fact that if we were to preserve agriculture in New Jersey we would have to preserve it with a volume of acreage large enough to sustain the necessary agribusiness complex that is so important to agriculture; and again I refer to the agricultural supply businesses, the food processing people, the food marketing programs as well as the pesticide, fertilizer manufacturers - everything that goes into agriculture.

Early in this discussion it was decided that we could not expect an agricultural plan to succeed in New Jersey unless it consisted of at least 750,000 acres. In fact the commission felt that a million acres would be much more advisable but maybe not very practical. It was also decided by the commission that if farming were to continue in New Jersey into the indefinite future we must have the right to farm the land. We must have an ongoing agricultural research and extension program. We must have an improved marketing program, and we certainly need an adequate vocational educational program in the secondary schools. We certainly would need relaxation of some of the regulatory controls presently on agriculture, both in the area of farm labor and environmental protection. These are definitely

needed if we are to continue to farm in this most urban state and unless these problems are realized and solved we might as well forget agriculture. It cannot succeed.

As I said earlier, the Blueprint Commission recommended that the entire thirteen points of that report be considered as a whole. In other words, land without the other considerations could not be farmed and of course, we could not farm if we did not have the land. New Jersey Farm Bureau believes totally and supports the Blueprint Commission Report. We believe that all aspects of the agricultural delima must be considered as a package. We do not believe the problem can be solved by any piecemeal approach and that, Mr. Chairman, is why we are here today. To oppose A-1334 which would establish the authority for a pilot program for the purchase of development easements. This pilot program as we understand it, could only attack a very small fraction of the total problem. Therefore, it could not be successful in our eyes as a total solution for preserving farmland in the indefinite future.

It ought to be remembered that the Blueprint Commission did work long and hard with many many meetings and with people studying land preservation programs and agricultural land programs in all parts of the world as well as throughout the United States. We are in a unique situation in New Jersey No other area faces a problem quite the same as New Jersey's with the exception of perhaps a couple of the New England states which might be in a very similar position. Therefore, we have no pattern which we can copy. We must develop a program of our own. I certainly would want to commend the legislators who introduced A-1334 and I certainly want to commend the Governor for his willingness to proceed with some type of farmland preservation program, but I think we must be very careful that the direction we take is the right direction.

Now, if I could, I would like to give you some reasons why I don't think we can ever succeed with a pilot program approach.

1. The pilot program could not possibly set aside an area of land sizable enough to prove anything. We are talking only about \$5 million. It would surprise me if \$5 million in the area being talked about could set aside much more than 2,500 acres of land and a 2,500 acre of land mass be it contiguous or otherwise, could not prove that we could continue to farm in New Jersey. It would not provide a large enough mass of land that would attract any processor or any food marketing endeavor. It would not attract any fertilizer manufacturers or farm machinery supply dealers, etc. It is just too small to be meaningful.

2. The pilot project would not guarantee the owner of the land in the project area any right to farm the land. What I mean by this is he would still own the farmland minus the development easements which is well understood and well and good; but with a small mass of land such as perhaps 2,500 acres, would the Department of Environmental Protection be willing to relax any of its air pollution standards? Would it be willing to relax any of its noise standards? Would it be willing to relax any of its nuisance standards affecting farm odors, such as spreading of manure, or livestock pens? Would it be willing to relax any of these things? I think not. Would a 2,500 acre land mass allow any relaxation whatsoever in standards of farm labor? I think it would be meaningless and I don't believe the Commissioner of Labor and Industry would even give it a second thought.

Therefore, again, what we are talking about is too small to have any degree of success.

3. The pilot program, because of its small size, in our opinion, has very little chance of succeeding. Therefore, if after a trial period of time, be it two years, or five years, or what have you, the State of New Jersey

decides that the pilot project cannot work. By that time the development easements would have been purchased by the State of New Jersey. What predicament do we leave the land owner in who is within this pilot project when this happens? He will own farmland without any development easements. It has been decided that farming cannot continue in New Jersey, but he is stuck with a piece of property on which all he owns is its farming value. Nobody will want to buy a piece of property such as this so what you have done is deprive the land owner of his property value and I mean the farming value of his land.

Yes, I know, it has been talked about that perhaps the state could resell the development easement back to the land owner and I would certainly think they should be willing to do this. However, we must talk at the outset at what price these will be sold back. Will they be sold back at the same price as they purchased them? Will they be sold back at an appraised price based on the value at the time they are sold back, or what have you? How they will be sold back is important. I think this should be included in any piece of legislation setting up any kind of a pilot project. If this is the direction we are going to go, The land owner must have protection to get his development easement back should the program fail.

In our opinion, he should get it back at exactly the same price he was paid for it. Even this would create considerable hardship on land owners, because they will have already paid the federal income tax on the income they received from development easements which will reduce the total assets they have available and to purchase development easements back after this federal tax has been paid might very well cause many farmers to have to remortgage their property in order to do this and to gain back what they once had and sacrificed for a pilot project.

4. We have a very real concern that if this pilot program fails, it might very well be considered by the Executive Branch of state government, by the Legislative Branch of state government, and even by the citizenry of the state that nothing can be done to preserve agriculture in New Jersey. We feel this is too great a risk to take with such a trivial, piecemeal, poorly conceived, poorly structured pilot project. New Jersey Farm Bureau wants a farmland preservation program, but it must be a program that can work to protect the right to farm on these preserved lands. We want to move forward quickly to enact such a plan; we believe future generations should have agricultural open space in New Jersey, and certainly we believe future generations should have access to good locally grown food, but more important, they, in our opinion, should have the right to expect enough food to eat.

New Jersey Farm Bureau supports the Agricultural Blueprint Commission Report and we believe it is a practical approach to such a complex problem. We also recognize the reason the Blueprint plan is not being pursued at the present time is the fear of perhaps its high cost. Let me assure you, the cost will be high, but the alternatives in this situation are more costly, and each day we delay adopting a complete plan, the cost of such a plan increases. **The time to bite the bullet is now!**

We support legislation which was introduced by Assemblyman Barbour, A.C.R. 128, which would give the voters the opportunity to decide this issue, they are the people most affected and should be given this opportunity through referendum. We should pass the legislation now so they could have this opportunity in November of 1976.

We thank you for this opportunity to express our views on what we believe is the most important issue to face the Legislature in 1976 that will affect the lives of those who follow in future generations. Will we guarantee Food to Eat?

STATEMENT BEFORE THE NEW JERSEY ASSEMBLY
COMMITTEE ON AGRICULTURE AND ENVIRONMENT
FEBRUARY 23, 1976

Ladies and Gentlemen:

My name is Lloyd Wescott, and I reside in Rosemont, New Jersey. I have been a dairy farmer in New Jersey since 1936, with a milking herd of approximately 150 cows.

It was my good fortune to be a member of the Blueprint Commission on the Future of Agriculture in New Jersey. As you know, I am sure, it proposed a bold and fair program to preserve a very significant amount of New Jersey in farm land.

Someone, I think it was Mayor Gibson, said that whatever happens to American cities will probably happen to Newark first. Certainly, if America is destined to succumb to steadily spreading urban sprawl, eating up the most valuable farm land and leaving behind decaying slums in what were once prosperous cities and affluent suburbs, it will probably happen in New Jersey first. As the most highly industrialized state in the nation we, by courageous action, cannot only preserve for ourselves these substantial values, but demonstrate to the nation what can, and must, be done.

On the national level, the profligate destruction of precious farm lands is really astonishing. Driving south from Chicago to Champaign, Illinois, one will see miles and miles of the best prairie land in the world covered over with houses. In California, valleys with 30 feet of top soil and valuable irrigation are now completely built over. These are but a few rather terrifying examples of national trends. Some day New Jersey, yes, our Nation, may well

be short of food but, as of today, think what our balance of payments would be were it not for our agricultural exports.

What is so serious about the destruction of farm land is that it cannot be recovered. It is possible to clean up polluted lakes and rivers. It is possible to clean up the air. It is impossible, however, to again grow crops on land destroyed by unchecked urban sprawl.

Other methods than the Blueprint proposal of saving farm lands have been offered, principally the Transfer of Development Rights concept. This may have usefulness in some cases, but it has two serious drawbacks: First, if a farm is declared permanently in agriculture, it may be years before a buyer can be found for the development rights - a situation that could destroy the owner. Secondly, the total cost of saving farm land under this system must be borne by the family that buys one of the houses, the cost of which is written up through the purchase of the development right. If preserving farm land has value, it has value for the entire State. The cost should not be saddled on the few.

Some would say that the farmer is not entitled to the value of the development rights on his land, and that they should be expropriated by the State. Would we apply this principle to the increase in value of all real estate? Would it not be equally fair to expropriate the increased value of common stock held for years? A small pharmacist in Hunterdon County in 1918, at the prompting of the salesman from Smith, Kline and French, started buying a few hundred dollars' worth of stock a year as he could spare the money.

He died in the 1950s worth over 4 million. Should this have been expropriated? Many people bought stock like IBM and Johnson & Johnson before World War II, which is now worth many, many times its original cost. Should these profits be expropriated?

Some have thought the Blueprint Commission proposal represented an enormous handout to farmers. I can assure you that farmers do not feel that way. Many of them strongly oppose the idea. They own their land and they would much rather take their chances dealing with the developer some time down the road, than to argue with government appraisors under the Blueprint program.

You see, farmers don't need New Jersey. There are farms for sale in neighboring states at lower prices, with lower taxes (farmland assessments not withstanding). New Jersey must make up its mind whether it needs farmers - and food - and a multibillion dollar industry - and tax-paying open spaces.

A good many farmers, even though they supported the Blueprint proposal, have grave reservations about the proposed demonstration project. I, of course, deeply regret that there seems to be little chance of any implementation of the entire program, now. However, I believe that in the future New Jersey will face the absolute necessity of dealing with the problem of open space, avoiding border-to-border macadam, and will embark upon a major effort to save farm lands. Implementation of the proposed demonstration project now will give us not only the knowledge for future planning, but an impulse to carry on with the job.

I strongly urge that the Blueprint Demonstration Project be undertaken.

