
Public Hearing

before

ASSEMBLY AGRICULTURE AND NATURAL RESOURCES COMMITTEE

ASSEMBLY BILL No. 2143

*(The "Green Acres, Farmland and Historic Preservation,
and Lake, Stream, and Dam Restoration Bond Act of 1998"; authorizes
\$210 million in bonds for those purposes; and appropriates \$5,000)*

LOCATION: Committee Room 16
State House Annex
Trenton, New Jersey

DATE: June 22, 1998
11:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblyman John C. Gibson, Chairman
Assemblywoman Connie Myers, Vice-Chair
Assemblyman Larry Chatzidakis
Assemblywoman Clare M. Farragher
Assemblyman E. Scott Garrett
Assemblywoman Barbara Buono
Assemblyman Herbert C. Conaway Jr.



ALSO PRESENT:

George J. LeBlanc
Jeffrey T. Climpson
*Office of Legislative Services
Committee Aides*

Thea M. Sheridan
*Assembly Majority
Committee Aide*

John Milsop
*Assembly Democratic
Committee Aide*

Hearing Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

TABLE OF CONTENTS

	<u>Page</u>
Peter J. Furey Executive Director New Jersey Farm Bureau	2
Robert Frey Dairy Farmer and Member Warren County Board of Agriculture	4
Edward Wengren President Somerset County Board of Agriculture	4
Marcia A. Karrow Mayor Raritan Township	7
Julia Allen Committeewoman Readington Township, and Member Hunterdon County Agricultural Development Board and State Agriculture Development Committee New Jersey Department of Agriculture	13
Ron Sigler Farmer Franklin Township Warren County	16
Ray Kalainikas Private Citizen	20
 APPENDIX:	
Letter addressed to Assemblywoman Connie Myers from Warren County Board of Agriculture submitted by Assemblywoman Connie Myers	1x

TABLE OF CONTENTS (continued)

APPENDIX (continued):

Page

Brochure
submitted by
Peter J. Furey
New Jersey Farm Bureau

2x

“The Township of Raritan Open Space Plan”
submitted by
Mayor Marcia A. Karrow

4x

lmb: 1-25

ASSEMBLYMAN JOHN C. GIBSON (Chairman): Good morning. We're going to open up the Agriculture and Natural Resources Hearing this morning.

Please rise for the Pledge of Allegiance to the flag. (participants recite the Pledge of Allegiance)

Welcome to the Agriculture and Natural Resources. First order of business that we have today will be a public hearing on a bond issue; after which, we will consider that bond issue by the Committee.

May I have a roll call.

MR. LeBLANC (Committee Aide): Assemblyman Conaway?

ASSEMBLYMAN CONAWAY: Here.

MR. LeBLANC: Assemblywoman Buono?

ASSEMBLYWOMAN BUONO: Here.

MR. LeBLANC: Assemblywoman Farragher?

ASSEMBLYWOMAN FARRAGHER: Here.

MR. LeBLANC: Assemblywoman Myers?

ASSEMBLYWOMAN MYERS: Here.

MR. LeBLANC: Assemblyman Gibson?

ASSEMBLYMAN GIBSON: Here.

We have a quorum.

Now we will open up the Public Hearing.

Would you read what the Public Hearing is about, please.

MR. LeBLANC: Sure. The Public Hearing on Assembly Bill No. 2143 -- the bill would authorize the sale of \$210 million in State general obligation bonds in the following order: \$70 million to acquire and develop

lands for recreation and conservation purposes; \$10 million to improve Liberty State Park; \$10 million for the planting and care of shade trees in communities; \$50 million to preserve farmland; \$20 million to preserve historic buildings and structures; \$5 million to tow the Battleship U.S.S. *New Jersey* to state waters and restore it for uses of memorial and museum; \$15 for restoring lakes and streams; and \$30 million for dam repairs.

ASSEMBLYMAN GIBSON: Thank you.

I call up Peter Furey, from the New Jersey Farm Bureau, and those that are with him for opening testimony.

Good morning, gentlemen.

PETER J. FUREY: Good morning, Mr. Chairman.

ASSEMBLYMAN GIBSON: Thank you for your testimony.

MR. FUREY: Thank you for hearing us.

Mr. Chairman, my name is Peter Furey, from the New Jersey Farm Bureau. I'm the Executive Director. I've been in that position since 1982, which roughly coincides with the existence of the Ag Retention Program. I wanted to make a few comments in support of farmland preservation and support for renewed funding.

With me here today is Bob Frey, on my left. He's a dairy farmer in Warren County, and Mr. Ed Wengren, who is the President of the Somerset County Board of Ag, and they will be making brief statements, also.

Basically, our statement today is in three parts. First would be the benefits of the Farmland Preservation Program. And, as you well know, we've had four separate bond issues of \$50 million a piece beginning in 1983 -- the most recent of which would be 1995 -- and we will, at the end of that time,

have secured the permanent deed restriction for almost 75,000 acres of farmland throughout the State of New Jersey. And this is a Program we're very proud of and has done a lot of strong things about building a land base for the future for New Jersey agriculture. We have about 600,000 acres of cropland -- about a million acres of open space dedicated to agriculture for various purposes. And this 75,000 acres is a terrific start for finishing the job of continued open space acquisition.

One of the benefits that sometimes gets overlooked is the linkage to creating a critical mass of farmland that the industry needs to survive and in a very competitive future. And that critical mass base is accumulating rapidly together with the profitable operations that are out there. It gives us a basis for thinking that agriculture will be a strong part of the economy of New Jersey for a long time.

The other benefit that sometimes gets overlooked is the linkage to the property tax issue. When you purchase ground for open space, including the deed restriction for agriculture, you've taken that ground out of the way of residential development, which, as we know, is a deficit for municipal finance. And we think that some of the motivation for over 50 municipalities and 13 counties to have passed their own tax levies for open space, including farmland, is directly related to their distaste for the property tax issue. So we think that you have multiple benefits of helping the industry, helping the environment, and taking a step toward fiscal-sound management.

Finally, the issue about the stable funding source. We are excited that there is a possibility of evolving the Farmland Preservation Program into a stable funding source that goes beyond the traditional methods. And we are

supportive of that. We are part of the coalition that is advocating the stable source. We realize there is some discussions -- considerable discussions -- as we speak, and we're hoping there's a favorable outcome to the stable funding source.

Those would be my remarks in support of open space funding.

Now Mr. Frey and Mr. Wengren will add a few things.

ASSEMBLYMAN GIBSON: Mr. Frey.

ROBERT FREY: I'm Robert Frey. I'm a 66-year-old farmer in Warren County. I'm nearing retirement.

Warren County -- the southern part of Warren County has just gotten their Wal-Mart, their Home Depot, and Toll Brothers development. We would like to see farmland preserved, because it is, indeed, a natural resource. We need a stable source of funding. We hope your Committee can work toward that -- a permanent stable source.

Thank you.

ASSEMBLYMAN GIBSON: Thank you, Mr. Frey.

EDWARD WENGRN: Again, concurring with all of what's been said already, the well's gone dry on us now, sort of immediately, with the last bond issue running out. We see this proposal as an interim source but not the end solution. We are going to need a continuation of funds. This is an important part of that.

Going along with finding a permanent source, one of the things I'd like the Committee to realize is the process of acquiring lands through the SADC in our county has been very economical tax dollar wise -- literally getting the best agricultural land at below market rates, really saving the

taxpayers' dollars, which has been probably the dedication and commitment from both the ag community and the members of the SADC in Somerset County. And I'd like to drive the point home: It is a fiscal-responsible organization that's been handing the money over all of this time.

ASSEMBLYMAN GIBSON: Thank you very much.

Any questions for the--

Assemblywoman Buono.

ASSEMBLYWOMAN BUONO: You said that you support-- I think, hopefully, I'm not speaking-- But everybody on this Committee supports open space funding. The public has certainly declared that -- strong and equivocally -- that it's critical to our quality of life, as well as our economics, in the State of New Jersey. However, you-- Perhaps you subscribe to the belief -- tell me if I'm wrong -- that doing something is better than nothing by support-- Do you support this bill? I know you support a stable source of funding. Do you also support this bill?

MR. FUREY: I think bond issues are part of the mix, and I would like to see us go beyond to a stable source. Whether the Legislature and the administration puts a bond in that mix, it's, I think, a fiscal decision for you to make that call. We'd like to see the stable source.

ASSEMBLYWOMAN BUONO: It just seems to me that, Mr. Chairman, that is -- this is an exercise in futility. Is this a bill that the Governor's really proposed to sign and support given her very public statement of a-- Other than this being a public declaration of the rift that's apparently developed between the administration and the Legislature, I question what this bill accomplishes by posting it. The Governor has stated that she has a

compromise. We've yet to hear the details of it. Wouldn't it be appropriate to wait and see what the Governor proposes?

ASSEMBLYMAN GIBSON: Sounds like that's a question for the Chair.

ASSEMBLYWOMAN BUONO: Yes, it is. (laughter)

ASSEMBLYMAN GIBSON: Let me hold off answering your question, Assemblywoman. When we get to actually discussing the bill, I'll have -- that question will be thoroughly answered, if you don't mind.

Any other questions for the witnesses?

MR. WENGREN: You know, to follow up on that, like I said, if-- And Peter's probably right. It is going to have to be part of the mix. Like I said, the -- our existing bonds are dry. There is no money left. There is no more pursuing of an application process, which usually takes two years. So now we're going to lose precious time without a funding source. And if this bond fits filling that need, absolutely we're in support of it. But it can't become the replacement for a permanent source.

ASSEMBLYWOMAN BUONO: Not to beat a dead horse, through the Chair, but it would just appear to me that you're presuming that it's this bill or nothing, and I'm certainly not ready to concede that that's the case.

MR. WENGREN: Again, I'm not sure how fast -- if a permanent source is found, how fast those dollars would be made available, where possibly a bond issue would speed that.

ASSEMBLYWOMAN BUONO: I'm not so sure that that's accurate, but in any event, since it has to be placed on a referendum in November and has to be voted on and appropriated but--

Thank you.

ASSEMBLYMAN GIBSON: Anyone else for these witnesses? (no response)

Thank you very much.

MR. FUREY: Thank you, Mr. Chairman.

MR. WENGREN: Thank you.

MR. FREY: Thank you.

ASSEMBLYMAN GIBSON: If you do have time, we'd appreciate your standing by, but I know there's a lot else going on so--

We have Marcia Karrow, the Mayor of Raritan Township, that we'd invite for her comments.

MARCIA A. KARROW: Thank you.

Is it all right to pass out a document?

ASSEMBLYMAN GIBSON: Certainly. You can just leave it at the end, and someone will distribute it to us.

There should be a button there that you can push that would--
(indicating PA microphone)

MS. KARROW: Okay. (witness complies)

Thank you, Mr. Chairman and members of the Committee, for hearing me this morning. I'm Marcia Karrow, the Mayor of Raritan Township, which is the largest municipality in Hunterdon County by population, and I believe it's also the largest by population in the entire 23rd Assembly District.

It's become the largest in the last 10 years. It wasn't because we wanted it to be. It's because it's been attractive for growth. It's becoming a spider leg from the Route 78 corridor, Route 202, and Route 31. It's destined for more growth through Merrill Lynch looking to headquarter in Mercer County just south of our borders. Of course, the attractiveness of Bridgewater -- the growth that they're bringing in -- makes it a natural because of the beauty of Hunterdon County.

Raritan Township recognized the need for a stable source of funding for open space preservation several years ago. We did it in a very slow methodical-planning way to make sure that we had a buffer against any potential lawsuits by developers that thought Raritan Township should be paved over. We started out by creating a Right to Farm Act for our farmers. From there, we also went into a major plan to create a stable source of funding by creating a lot of documentation related to property taxes to sell it to our public.

Education, of course, is key to any stable funding source. Bonds can come and go, as we've seen them come and go for the last 10 years. Stable sources are here forever. And when the public votes to increase taxes and gets that kind of pressure off of the governing body, such as yourselves, it's critical that you can back it up with the numbers. So after we passed it, we did a lot of handouts. This is not one of them that I gave you. After doing a lot of handouts and selling it to the public, it passed in Raritan Township with 76 percent of the voters voting to pass a stable source of 2 cents, which brings in around \$40 per \$200,000 house.

From there, we applied to the Green Acres Planning Incentive Grant Program. If I could just take a second to educate the members here, I don't know how much you really know about this Program -- stop me, Mr. Chairman, if you do. You fill out one grant once, and after that, your governing body passes a resolution for more money. You never have to fill out the grant again. But in order to get that kind of money, you have to have a stable source past. We are in a very elite group. In New Jersey, I think, there's only maybe 13 to 20 municipalities that have satisfied the grant requirements.

It's wonderful, because we immediately received a \$3 million grant for Green Acres money this year. We can apply for more money if there is some source of stable or bond issue money in the future. But I only need another, maybe, \$4 million. It sounds like a lot maybe to the public. It is not a lot in Raritan Township. Once I finish with that \$4 million from Green Acres money, I don't want any more Green Acres money. It's got a lot of restrictions. I want farmland money. I have a lot of farms. I have yet to be able to get one into the Farmland Preservation Program because it is so competitive, because the dollars are so limited.

I have three farmers who have applied this year. I had two apply last year. I had four apply the year before. The scoring system is very competitive, and the dollars are limited. And including not only to get into the Program in the State, just to get into the Hunterdon County Program to make that first cut, it's very hard. If this isn't passed -- some kind of funding mechanism that's stable -- I'm going to be before you every two years, and I don't want to be, really and truly.

And to me, this bill for the Green Acres bond issue, which has a lot of stuff in it that's got nothing to do with open space preservation -- so as somebody who is really concerned about my farmers and keeping them in business, I object to those items in this bill. That's another reason why I'm not-- I really don't want to talk about that.

I really want to talk about property taxes, because that is, as a municipal elected official, what is so critical to me -- is property taxes. I love my farmers. I love seeing Hunterdon County green, but I have a lot of constituents that just pay a lot of taxes. After we got into the Planning Incentive Grant phase, we were required to have a public hearing for Planning Incentive money for the future. And we developed, as a public notice, this document that's before you. And as far as I know, it's probably the only document any municipality has ever done to absolutely demonstrate in hard numbers what it costs to not preserve farms and open space.

Now Green Acres money preserves a lot of open space, including waterways and streams, that cannot be developed. Farms can be developed. That's the nature of them, and that's why that kind of money should be looked at very differently.

In this document, which I supplied enough, I hope, to have all of you take them home -- and if you know open space people in your municipalities, please have them copy it. I would love it if they could do their own. It clearly demonstrates, and these numbers can be totally justified, that for every farm that we allow to go-- This is 550 acres. This is our first plan. This is supposed to be the first few years of our plan. We want to preserve 550 acres of not only some stream area, mostly farms and developable land. It

basically translates, when you look at the expenses of the soft costs -- police, police vehicles, fire protection, roads, fire hydrants -- we're not even talking schools, just those kinds of soft costs-- It comes out to over \$50 a household for a \$200,000 house, while preserving it runs about \$40.

And after 20 years, when all those bonds and everything else are paid for, those costs go away forever. While incrementally following a CPI, consumer price index or some other index phase, those soft costs with police raises, that are out of my control because they're State regulated, as far as how I can do them, and of course, road costs, snow, whatever is going to happen with the next *la niña (sic)* -- all those costs go up incrementally. I can't control them. Last year, my municipality had 13 percent increases in costs -- the municipality -- while we only raised taxes a half a cent. And those were because of all of the other costs.

That doesn't take schools into consideration. You put in schools -- the increase last year in Raritan Township was almost \$300 to an average household because of the school increases. And the only way to stop school increases is to purchase up the developable land, and that's the farmland, to get those easements out. And the nice thing about the difference between farmland and Green Acres is that farmland stays in the tax rolls, and somebody is there maintaining it. Somebody is watching it, they're policing it, they're paying taxes on it. The house is getting taxed at a regular rate. Somebody is mowing it or planting it.

Green Acres money isn't the case. It still is being maintained by somebody, whether it's a local government or a county government, or else it's going to weeds or it's not being patrolled. It's got its own different set of

criteria. I love Green Acres money. It's got a purpose. It's got a use, but we have to be concerned about agribusiness and keeping a critical mass in New Jersey in Hunterdon County, in Warren County, in Burlington County, in Monmouth County -- to keep this land in a critical mass. And I'm here asking you--

I am worried, Assemblywoman Buono, that if the one bond issue is put on the ballot that it's going to dilute the effect of having a stabilized source. I am very concerned that it's going to dry up. It goes very quickly out. A lot of applications get approved that, perhaps, shouldn't be approved. It needs to be looked at in a totally different way. The stabilized source that the Governor has proposed -- whatever she proposes -- it needs to be looked at seriously as a permanent way of purchasing open space, especially farms. And what you can see that's happening and why it matters to all of you up here and not just Assemblywoman Myers, who represents the 23rd District, is because this year Flemington Borough, which is right in the center of Raritan Township, is looking at getting \$69 million in money to improve a circle, which it never should have had if it had enough farms there, because the traffic's gotten so bad. And it's taking it away from other transportation needs.

This year, we're getting slightly more money in funding for schools because our taxes have more kids. We don't want that to continue. We'd rather give it to *Abbott* districts where it's needed. You know, we'd rather give it to other municipalities for infrastructure. Give us farmland money and give them infrastructure money, and what's happening is, they're converging, and we're starting to take away more and more infrastructure money when we'd rather have farmland money to preserve the open space. It will stop. You guys

buy up our farms or help us buy them, and eventually, all the infrastructure money will be going to communities that really have that need in 20 years. And it will stop. The growth can really slow down, and that kind of hit, especially in education, which we all know is what's really coming down the pike, will stay where it's needed most and not in the rural districts if you take care of us now.

ASSEMBLYMAN GIBSON: Thank you, Mayor.

Are there any questions for the Mayor? (no response)

Thank you very much. We appreciate your testimony.

MS. KARROW: Yes.

ASSEMBLYMAN GIBSON: Julia Allen. She's with the Hunterdon CADB. She's also a municipal official.

Good morning, Ms. Allen.

JULIA ALLEN: I didn't write it down there, but I'm also a member of the State Agricultural Development Committee, and both that Committee and the Hunterdon Agricultural Development Board administer the Farmland Preservation Program. I'd like you all to know that the Farmland Preservation Program in the state and in all the individual counties where it's operating is working and working well. It's preserving farmland at a minimal cost per acre, probably under \$5000 per acre in Hunterdon County, which is a county of high development pressure.

We had this year, and we have had for the last almost 10 years, 53 farmers apply for the Program, and we can only select 7. We have the opportunity today to save the Hunterdon County countryside. We have the farmers anxious to participate in the Program. We have the county anxious to

participate in the Program. We have rural townships that are ready to put their shoulder to the wheel financially and administratively to save the countryside of Hunterdon County. We need the help of the State. Rural townships by their very nature have a low tax base. They can't afford the cost of preserving, even though it's a low per acre cost. There is so much farmland that we have the opportunity to say, if we need some help, if we don't get this help in this decade and in this generation, we've lost our opportunity.

The economic viability of the whole state is at risk. Because if we, in this generation, destroy the countryside of New Jersey, the whole state is going to suffer economically the quality of life. And we're going to find corporations that would be locating in New Jersey choosing other states, because there's no countryside in New Jersey. Now, it could be that the southern half of New Jersey or a portion of the southern half of New Jersey doesn't have the timing problem that the central, the western, and the northwestern sections of New Jersey have. But in these areas, this decade and this generation is our only chance. And you, as our legislators, have it in your power to give us who are administering the Program quite effectively, the local governments who desperately want to save their countryside, and the people of New Jersey this opportunity.

The Program is up and running, and it's working well, and we need your help. Mrs. Karrow is absolutely right when she says that the cost of sprawl is horrendous. In our township in recent years, our population grew by 10 percent. We immediately had to spend \$12 million for a new school. That's a school that was built in our rural community that should have been built in an urban area where that school was needed, where schools are going

wanting for children. We had to put in stoplights that weren't necessary before. Rebuild bridges that wouldn't have needed rebuilding if we'd preserved the farmland in the vicinity. All this is expensive for us. It's expensive for our county, and ultimately, it's expensive for the state.

There's transportation money, a lot of it, being spent to dig up the countryside and replace it with the suburbs. So we need your help, whatever that is in your best judgment.

Thank you.

ASSEMBLYMAN GIBSON: Thank you very much.

ASSEMBLYWOMAN BUONO: Mr. Chairman?

ASSEMBLYMAN GIBSON: Would you stand by just--

ASSEMBLYWOMAN BUONO: I just want to make a statement.

ASSEMBLYMAN GIBSON: Okay. Never mind. Never mind.

The Assemblywoman wants to make a statement, not necessarily a question for you. Thank you very much for your testimony.

Assemblywoman.

ASSEMBLYWOMAN BUONO: I just wanted to make a brief comment in reaction to the testimony, through the Chair, if I might.

I agree with the individual who testified. I think she stated that the economic viability of New Jersey is at stake. I'm also concerned as a parent. I know a lot of people, our parents and grandparents, about the legacy that we're going to carve out -- the land legacy -- that we're carving out for future generations.

And I think we have a responsibility here today to not have a myopic view of the situation. I think to suggest that if anyone on this panel

doesn't support this bill, is opposed to the Farmland Preservation Program, that that is, at best, disingenuous. I certainly do support it. But I also think that the public has spoken loud and clear, and they have stated, through the Chair, that we are preserving an inadequate amount of open space -- farmland or otherwise -- and I am very concerned about that. I think that they've spoken loud and clear and that the time is now for us to live up to our responsibility and devise a strong and stable source of funding to preserve open space in New Jersey. I think to do otherwise would be to really abdicate our responsibility.

Thank you.

ASSEMBLYMAN GIBSON: Thank you very much, Assemblywoman.

Ron Sigler. Ron's a Warren County farmer.

We will appreciate your testimony. I know that you're opposed to the legislation -- give you a chance to explain why.

RON SIGLER: Okay, my name is Ron Sigler. I'm a 47-year-old farmer in Franklin Township, Warren County. My family owns a 400-acre farm, which has been in the family now for over 100 years.

I don't necessarily oppose the legislation, but I think it's more of a quick fix instead of something that's going to be around for a longer period of time. I think if you look at the age of the average farmer in New Jersey, I think that we need to get something that's going to be more stable and something that we can count on. And it has to be done pretty quick, because within 10 years you're going to see just acres and acres of farmland go down the tubes. I mean, once you get to a certain point in time, I mean, either if you

don't have anyone to come on and farm the land in a younger generation -- and even if you do have a son or a daughter, you know, there's no incentive for them to stay on the farm.

It's tough. I mean, in our situation, we're debt free. And even so, you look at the price of machinery, and it wouldn't be so bad if you could buy a piece of machinery and use it year-round, but a lot of these pieces of machinery, it's two, three, four weeks a year, and there it sits. It's hard. It's hard to justify a lot of this stuff.

I think what we're looking for here is more of a commitment, something that will go on for a long period of time -- more like a marriage. I think this thing that we have here--

ASSEMBLYMAN GIBSON: No guarantee of that. (laughter)

MR. SIGLER: --is more like a one-night stand. (laughter) So I think if this legislation would go through, if that's not the end, it would be fine, but I think we need something that's just a little more stable for us.

ASSEMBLYMAN GIBSON: Thank you very much for sharing that with us and making the trip here today.

ASSEMBLYMAN GARRETT: Mr. Chairman?

ASSEMBLYMAN GIBSON: Just a minute. We may have a question for you from Assemblyman Garrett.

MR. SIGLER: Sure.

ASSEMBLYMAN GARRETT: I didn't hear at the beginning, are you in the Program right now, or are you--

MR. SIGLER: No. We've been trying to get into the Program for the last three years.

ASSEMBLYMAN GARRETT: Okay.

MR. SIGLER: The way the Program is set up it's hard with the way they rank the farms. I found in my situation that when you have a larger tract of land, it's at a disadvantage for you. Because when the appraisers come out and they look at it, they say, "Well, a bigger piece is harder to sell." So it's not worth as much.

I had a situation where I have a 60-acre parcel, and I have neighbors on each side. We all applied to the Program the same time. The whole chunk which we applied was 650 acres, right. When our appraisals came back-- The neighbor at the far west of me has 80 acres. They appraised his land \$1000 more an acre than mine. My other neighbor -- they appraised his -- he had 140 acres-- They appraised his for \$500 more an acre than mine. And I've got a 60-acre piece out there in between them. Well, I can go down to one place where there's no fence row, and I can stand, and where my left foot is it's worth \$500 more than where my right foot is per acre. So there's really not a fair way that they're doing this.

So what I did this year-- I mean, I've got lots of deeds. So I just put one farm in. I put up the home farm -- the 100-acre piece in -- and the appraisals come back better. So now we're in the Program. We're through the first stage. We've made the cut, but it's still quite a ways till the end. But it seems like a shame. Why should I have to go through a three- or four-year period of trying to get the whole farm in this Program when we could have done it in one shot. And I think also the way that they rank the farms, if you look at that in the bid-down process, that you're not getting a lot of the higher-ranked farms.

In my instance two years ago when I was in the-- I did put in a bid for 3600 an acre. That's what the State offered for the farm. I was ranked 16th in the state. Didn't bid down, just put that in. Okay. My neighbor -- he bid down \$300 to 3800 an acre. He got in with his 140-acre farm, and I didn't. There was a farm, and I forget whether it was Middlesex or Somerset County -- they appraised his farm at 16,000 -- 16,000 an acre. It was a 90-acre piece. He was ranked 85th in the state. He bid down \$6000 an acre down to \$10,000 an acre, and he went from 85th to 1st. Now, in my opinion, if that farm was ranked 85th, they really didn't want it. But because of the bid-down system and the high rent district down where he was at, that got him into the Program.

ASSEMBLYMAN GARRETT: Now, part of the bid down -- part of the reason we have all that is to -- some experts claim -- is because of the inadequacy of the total funding package that's been there in the past. That is, if you've had enough money in the past-- If you made enough money, if you had enough money in the Program in the past, we would not have had the bid-down--

MR. SIGLER: Right.

ASSEMBLYMAN GARRETT: --problem.

MR. SIGLER: Right.

ASSEMBLYMAN GARRETT: The bill that's before us today -- as I read it, and I know that there's amendments floating around -- has the exact same amount of money in it, which is the \$50 million, right, that we've had in the past bond bills. It's a bigger bond bill than that, but as far as farmland preservation is concerned, it's the same amount of money for

farmland preservation that we've been looking at in the past. So that will not change if this bill were to pass. That will not change the problems that you're experiencing.

MR. SIGLER: And I realize that, but you know--

ASSEMBLYMAN GARRETT: That's a question, yes or no, that would not change the problems, okay.

MR. SIGLER: Right. Right. One step at a time.

ASSEMBLYMAN GARRETT: Right. Okay.

MR. SIGLER: Right.

ASSEMBLYMAN GARRETT: Thank you.

MR. SIGLER: Okay.

ASSEMBLYMAN GARRETT: And by the way, half of all marriages end in divorce anyway so that you may not be looking-- (remainder of comment indiscernible)

MR. SIGLER: But half's better than none a lot of times.

ASSEMBLYMAN GIBSON: But they do last longer than one night.

MR. SIGLER: Hopefully.

ASSEMBLYMAN GIBSON: Thank you very much.

We have a final witness -- if you want to get the sponsor -- at least that signed up. Why don't you get the sponsor, and we'll invite Ray up. (speaking to aide; referring to Assemblyman Guy R. Gregg)

Ray Kalainikas.

RAY KALAINIKAS: That's close.

ASSEMBLYMAN GIBSON: Excuse me, Ray. I'm sorry. As many times as I've invited you to the witness stand, I always have trouble with your name, but we're interested in your testimony.

MR. KALAINIKAS: I hear words of stable funding for farmland preservation -- open space. I guess I'm taking a different tact of it is really not necessary for any funding for farmland preservation and open space ultimately. If the Pinelands had depended on taxation and bonding to keep it in the state it wants to keep it -- the Pinelands Commission -- it would have been paved over by now.

I think the farmer we just had indicated that that may very well be the case. In other words, developers have far more money than the taxpayers have to give out of their pockets to preserve open space and farmland. If we're talking about a race between taxpayers and developers, developers are way ahead of the game. They know they're way ahead of the game, so they like the illusion that there is some sort of effort to preserve open space and farmland. For every acre the taxpayer supposedly saves, there are hundreds and thousands of acres that fall to developers. And that's the way the race is going. And everybody can see it, but yet we still talk the same game, the game of taxation and bonding, as if that's the only game in town.

The Pinelands Commission recognized the only way they're going to stop development is zoning. That's it. And when they went into zoning, development stopped essentially. What they did not do is truly elucidate land-use rights. They made their own decisions, as to zoning, without really getting into the issue of land-use rights. And that's something the entire State has to get into. And so they zoned the way they decided it was fitting to zone

to preserve the Pinelands -- an acre, 40 acres, 20 acres, and so on. But development stopped, essentially, and I cannot understand, for the likes of me, why our legislators cannot see that as the real solution -- zoning and elucidation of land-use rights -- as opposed to paying a farmer for development rights, using tax dollars because it comes down to tax dollars one way or another. Simply tell the farmer, he or she or the large-land owner can sell their land in six-acre tracts. One acre for the homestead or industry and five acres for agrarian use. That's one very quick way. And, of course, this requires a lot of explanation -- this concept of six acres that's commonly referred to as the Farm Act.

I'm curious-- Of course, what occurred on February 26, Jack, I gave you a new twist to this to see if there would be anybody biting on it. And that was the idea, well, if we can't get our legislative body to agree to elucidation of land-use rights and zoning, maybe they would agree to the idea of what I call the "new twist." Instead of paying the farmer for development rights, simply use bond money to buy the farm. And when you buy the farm, subdivide it into six-acre tracts, sell the six-acre tracts with the provisions mentioned, take the money from the sale, and buy another tract and do the same, constantly recycling the money. Never using a tax dollar to pay the bondholders back -- simply the constant resale should be sufficient enough to pay the principle and interest when the bonds mature, not costing the taxpayer a single dollar.

And legislation was introduced May 18-- Biondi and Felice on the Assembly side, A-2041, essentially doing this -- calling for this, and on the

Senate side, S-1052, sponsored by Kavanaugh. That's not the ultimate solution, because I don't think--

ASSEMBLYMAN GIBSON: Let me just interrupt you, Ray.

MR. KALAINIKAS: Yes.

ASSEMBLYMAN GIBSON: That bill will be referred to this Committee. You've shared your idea with this Committee a number of times, and that will get a thorough hearing at some point in time. So let me ask you just to stay on this bill.

MR. KALAINIKAS: Okay. I think it's important if you're going to elucidate land-use rights to deal. And if you're going to deal with zoning and elucidation of land-use rights, as opposed to bonding or as opposed to simply taking tax dollars, I think some things have to be addressed. And one of the things that must be addressed is I hear the Department of Ag speaking in terms of, "Well, we don't want to fragment a large farm or a large piece of land." And, I guess, what I'm saying is -- and it was Greg Romano who said to me, when I brought up this entire different way of looking at it-- He said, "You know, you can't spray on five acres." And I guess my reaction was good, you can't spray on five acres.

ASSEMBLYMAN GIBSON: Are we still on the six-acre farms, or are we on the bill?

MR. KALAINIKAS: I guess we're on the idea that if we're going to-- I've already indicated to you, Jack, if we're going to use bonding, let's use it in terms of A-2041 and S-1052, if we're going to use bonding. But that's not the ultimate solution. So this piece of legislation is not the ultimate solution. That can only be used part of the way. Ultimately, we're going to have to zone

and elucidate land-use rights as the only way -- ultimately, the quickest, the fastest, the most effective way of outpacing the developers. You can't do it even with A-2041, even with S-1052. That's going to be part of the mix with zoning and elucidation of land-use rights. If this doesn't incorporate A-2041 and S-1052 with regard to the \$50 million allocated for farmland and open space, then it's useless in my opinion. This entire piece of legislation is useless if it doesn't incorporate that, but that cannot be enough, and this piece of legislation isn't enough.

You're going to have to do what the Pinelands people did. You're going to have to zone. And so if we're going to talk about zoning, you're going to have to talk about the six acres and why that's so important, as opposed to large farms.

ASSEMBLYMAN GIBSON: I didn't particularly want to talk about zoning. I did want to talk about this bill--

MR. KALAINIKAS: Okay.

ASSEMBLYMAN GIBSON: --and we do appreciate your comments on this bill.

MR. KALAINIKAS: Okay.

ASSEMBLYMAN GIBSON: Any questions for Ray? (no response)

MR. KALAINIKAS: I'm willing to entertain questions.

Thank you.

ASSEMBLYMAN GIBSON: Thank you very much, Ray.

Assemblywoman Myers.

ASSEMBLYWOMAN MYERS: Thank you, Mr. Chairman.

I'd like to read a letter from the President of the Warren County Board of Agriculture who couldn't be here today because she's out trying to finish up the first cutting of hay before she has to start the second cutting then. We had a very wet spring, and the farmers wanted to be here today and couldn't because it's hay season.

"The Warren County Board of Agriculture strongly supports the passage of legislation that would create a viable and stable funding source for farmland preservation and open space. The continued use of bonding only mortgages future generations. Bonding jeopardizes the long-term survival of a strongly supported and beneficial program for New Jersey. The Farmland Preservation Program provides great benefits to New Jersey residents without any associated maintenance costs. If New Jersey is serious about preserving farmland and open space, it is time to create a stable funding source. The Warren County Board of Agriculture petitions your legislative support of this initiative. Sincerely, Anna Sodtalbers, President."

Thank you.

ASSEMBLYMAN GIBSON: Thank you.

That completes those that signed up to testify on the Public Hearing on the legislation, and unless I hear something further, I'd like to close the Public Hearing. The Public Hearing is closed.

(HEARING CONCLUDED)