

STATE HOUSE COMMISSION
PROPOSED MEETING AGENDA

March 9, 2023 – 9:00 a.m.

Committee Room 7 – Second Floor
State House Annex, Trenton, New Jersey

Email: StateHouseCommission@treas.nj.gov

Formal action may be taken at the meeting.

CALL TO ORDER:

- ~ Assad Akhter, Senior Director of Government Affairs
(on behalf of Governor Philip D. Murphy)
- ~ Aaron Binder, Deputy State Treasurer
(on behalf of State Treasurer Elizabeth Maher Muoio)
- ~ Lynn Azarchi, Acting Director Office of Management & Budget
- ~ Senator Bob Smith
- ~ Senator Steven V. Oroho
- ~ Assemblyman Paul D. Moriarty
- ~ Assemblyman John DiMaio

OLD BUSINESS:

1. Approval of the January 9, 2023, State House Commission (SHC) Meeting Minutes--The verbatim record of the January 9, 2023, SHC meeting will serve as the official minutes.

NEW BUSINESS:

DEPARTMENT OF THE TREASURY REQUESTS:

2. Project: Former DCF Regional Day School (15 Jean Street), Block: 901, Lot: 6, Morristown Town, Morris County

Requesting Party: The State of NJ, Department of the Treasury, on behalf of the Department of Children and Families requests approval of a direct sale of 7.80(+/-) acres of land and improvements located at 15 Jean Street, Morristown, that has been determined

surplus to the department's needs, to the Town of Morristown or Government Agency, for the "As-Is" value, which will be determined by an appraisal.

Terms: In the event the direct sale does not occur, Treasury will dispose of the property via an internet auction at a minimum bid price, determined by an appraisal.

DEPARTMENT OF TRANSPORTATION REQUESTS:

3. Project: Route 4 (currently Route 9), Portion of Parcel 9A, Block: 18.01, Lot: 1.03, Manalapan Township, Monmouth County

Requesting Party: The NJDOT, Division of Right of Way, Property Management Unit is seeking approval to amend a month to month lease they currently have with PMG NJ, LLC. PMG NJ, LLC would like to amend the lease to a fixed term. The parcel is currently being used for footing for a business identification sign.

Terms: The lease will be for five years with a monthly lease amount of \$13.68 per month, inclusive of the Municipal In Lieu of Taxes, for a yearly rental of \$164.00, which is the appraised value of the approximately 25(+/-) square feet parcel.

4. Project: CR 503, Parcel VX406B, Block: 124.01, Adjacent to Lot 1, Borough of Carlstadt, Bergen County

Requesting Party: The NJDOT, Division of Right of Way, Property Management Unit is requesting approval to sell Parcel VX406B to the only adjacent property owner, 456 Vishwas, LLC. NJDOT has determined that the parcel is no longer required for current or future use and will be sold to 456 Vishwas, LLC for assemblage to the adjoining lot. The area is approximately 27,933(+/-) square feet or 0.641(+/-) acre.

Terms: The property will be sold to 456 Vishwas, LLC for Four Hundred Thousand Dollars (\$400,000), which is the appraised value.

5. Project: Oyster Creek CDF Site, Block: 100, Lot: 1.07, Lacey Township, Ocean County

Requesting Party: the NJDOT, Division of Right of Way, Property Management Unit, requests approval to grant a utility easement of 51,133 (+/-) square feet or 1.174(+/-) acres and a permanent access easement of 49,174(+/-) square feet or 1.129 (+/-) acres to Ocean

Wind, LLC to allow for the installation and use of an underground electrical utility facility to conduct off shore wind generated power for distribution on shore. The conveyance will also authorize the granting of temporary workspace easements that accommodate the initial construction. The property is nearly entirely occupied by a Controlled Disposal Facility (CDF) which allows for the storage and recycling of dredged aquatic sediments from channels in adjacent waterways. The easement will not impact the operations of the CDF.

Terms: The easement will be conveyed to Ocean Wind, LLC for Two Thousand Five Hundred Dollars (\$2,500), which is the appraised value.

DEPARTMENT OF ENVIRONMENTAL PROTECTION REQUESTS:

6. Project: Ocean City Public Beach, Block: 611.11, Part of Lot: 145, Block: 611.11, Part of Lot: 137, Block: 3500, Part of Lot: 1 (including the associated riparian grant), City of Ocean City, Cape May County,

Requesting Party: The NJDEP requests approval to allow the acquisition of a 30 foot wide underground electric utility easement by Ocean Wind, LLC (Ocean Wind) on 0.579 (+-) acre of parkland within the Ocean City Public Beach in the City of Ocean City, Cape May County (City) as part of the Ocean Wind 1 Offshore Wind Generation Project (Project). This Project is proposed to meet the requirements of the State's Offshore Wind Economic Development Act (OWEDA), P.L. 2010, c. 57, which mandates the development of a minimum of 1,100 megawatts (MW) of offshore wind resources. The Project also contributes to meeting the thresholds established by Executive Order 8 (2018), which set a goal of 3,500 MW of renewable energy by 2030. Executive Order 92 (2019), which increased the goal to 7,500 MW by 2035, and Executive Order 307 (2022), which further increased the goal to 11,000 MW by 2040.

Ocean Wind is proposing to develop a 1,100 MW offshore wind generation project within the BOEM Lease Area OCS-A-0498 and to connect to the electric grid via a series of underground electric utility easements. The public beach above the proposed diversion area will remain accessible to the public, but the City will not be allowed to place permanent structures on or within the easement area.

After the Project was approved by the NJ Board of Public Utilities (NJBPU) as a qualified offshore wind project under OWEDA, Ocean Wind requested that the City agree to convey the subsurface easement that is the subject of this diversion application. However the City declined Ocean Wind's request and indicated it was unwilling to apply for the required NJDEP and State House Commission approvals for the diversion of its Green Acres encumbered parkland. Pursuant to the 2021 amendments to N.J.S.A. 48:3-87.1, Ocean

Wind then petitioned the NJBPU to allow it to acquire the easements necessary for the Project. On September 28, 2022, the NJBPU issued an order granting Ocean Wind's petition and finding that the proposed cable and route are reasonably necessary for the construction and operation of the Project. As a result of the petition process, Ocean Wind, not the City is the applicant for the proposed diversion.

Terms: Compensation for the proposed subsurface easement rights has been determined under N.J.A.C. 7:36-26.10. The proposed subsurface easement being diverted (0.579+-) acre) must be replaced with at least twice its acreage in land or ten times the market value of the land to be diverted as monetary compensation. The value of the subsurface easement area to be diverted was appraised and approved by the Green Acres Program as \$15,000. This diversion area and value would equate to either a minimum of 1.158 acres of land or a payment of \$150,000. Under N.J.A.C. 7:36-26.10, if an applicant commits to purchase replacement land, it has two years, with the possibility of a six-month extension for good cause shown, to complete the purchase. In addition, under N.J.S.A. 48:3-87.1f(2), Ocean Wind is obligated to (1) pay the City for the fair market value of the easement and (2) provide funds to either the Department, a local government unit or a qualified nonprofit for the purchase of three times the acreage of the diverted area (in this case, 1.74+- acre), in Cape May County, within three years from the date of the issuance of the order by the NJBPU granting Ocean Wind the permanent easement. Ocean Wind is exploring acquisition of a 17.5 acre property near an existing NJDEP Wildlife Management Area as a potential compensation parcel in lieu of the Department undertaking the acquisition itself with funds from Ocean Wind. If Ocean Wind is successful in its negotiations with the property owner, and the NJDEP determines it was to accept title to the property (or any other property of sufficient size that it deems acceptable), then no cash compensation will be due from Ocean Wind to NJDEP. If Ocean Wind is not successful in its negotiations with the property owner, and or NJDEP does not want to accept title to the potential replacement property then Ocean Wind will take all necessary measures to comply with the requirements of N.J.S.A. 48:3-87.1f(2) by providing funds to either the Department, a local government unit or qualified nonprofit for the purchase of three times the acreage of the diverted area in Cape May County within three years from the date the order by the NJBPU granting Ocean Wind the permanent easement across the City's Beach is recorded. The NJDEP does not recommend any additional land compensation above and beyond the compensation required by OWEDA and will allow the full three years for purchase of the replacement land. If the land compensation ends up being owned by a local government unit or nonprofit, the NJDEP will require Green Acres restrictions to be imposed on the replacement land.

This application is submit to the following terms and conditions:

- a. Issuance of the Record of Decision by BOEM for the project prior to the start of construction.
- b. Issuance of NJDEP Division of Land Resource Protection permits for the Project.

- c. Issuance of any other Federal, State or local approvals required for the Project to commence construction.

- 7. Project: Island Beach State Park, Block: 1750, Part of Lot: 1, Berkeley Township, Ocean County

Requesting Party: The NJDEP, request approval to lease approximately 2.444 acres (106,457 square feet) within Island Beach State Park in Berkley Township, Ocean County to Ocean Wind, LLC (Ocean Wind) for 24 years for underground electric utility lines and associated transition joint bays as part of the Ocean Wind 1 Offshore Wind Generation Project (Project). The project is proposed to meet the requirements of the State's Offshore Wind Economic Development Act (OWEDA), P.L. 2010, c.57, which mandates the development of a minimum of 1,100 megawatts (MW) of offshore wind resources. The project also contributes to meeting the thresholds established by Executive Order 8 (2018), which set a goal of 3,500 MW of renewable energy by 2030, Executive Order 92 (2019), which increased the goal to 7,500 MW by 2035, Executive Order 307 (2022), which further increased the goal to 11,000 MW by 2040.

Ocean Wind is proposing to develop a 1,100 MW offshore wind generation project within the BOEM Lease Area OCS-A 0498 and to connect to the electric grid via a series of underground electric utility easements. The area above the proposed leased premises will be accessible to the public after initial construction, but the placement of the lines will impact the ability of the State to place structures in the leased premises.

Terms: To compensate the State for the use of its land, Ocean Wind proposes to provide (1) \$368,258.85 per year, with a 3% increase for the second year, for temporary use of a total of 4.685 acres (+-) of NJDEP land (plus the use of Shore Road for access to and from the construction areas) during construction of the Project (which will be limited to the offseason), (2) \$10,818 per day for any construction that occurs between April 15th and October 14th during the two-year construction period, and (3) \$59,586.75 per year for the 2.44 acre (+-) long term utility lease area, with a 3% annual escalation factor. Over the life of the 24 year lease, the total rental payments for the temporary use area and 24 year utility lease will be \$2,798,926.94 if paid on an annual basis (not including any contingency payments for peak season construction). However, as part of this approval, the NJDEP also seeks approval to accept an upfront lump sum payment from Ocean Wind for the present value of the total lease payments for the 24 year lease term.

Ocean Wind has also agreed to place \$4.0 million in escrow for the State to create a loop trail of approximately 8 miles for the public's use and enjoyment and to build about 2,500 linear feet of living shoreline on the Barnegat Bay side of the Park to alleviate erosion concerns and protect the Park. At this time, the mitigation projects are conceptual in nature, and Ocean Wind has agreed to allow mitigation monies to be used for similar public access

or coastal resiliency projects should the State determine the trail and shoreline projects are not feasible.

8. Project: Patriot's Path Conservation/Trail Easement, Block 4001, Part of Lots: 12 and 14, Township of Hanover, Morris County

Requesting Party: The NJDEP, on behalf of the Township of Hanover ("Township"), requests approval to allow the Township to remove the Green Acres restrictions from a 0.84 (+-) acre conservation easement acquired as part of the alignment for Morris County's Patriot's Path to enable the trail to be realigned in a new location. In July 1990 the Township was granted a 0.84 acre conservation easement on Block 4001, Lots 12 and 14 by a private developer. The easement has been maintained as a grass lawn since the Township acquired it. The conservation easement area was envisioned as a segment of Morris County's Patriot's Path Trail network, however no steps were ever taken to construct this section because portions of the easement were disconnected from sections of the trail system. The proposed disposal is intended to improve the functioning of the Township's parkland by allowing the Patriot's Path Trail easement to be realigned to an area that will allow for its construction.

Terms: To compensate for the proposed disposal, the Township has agreed to place Green Acres restrictions on a new conservation and trail easement, as well as a new pocket park, totaling 1.04 (+-) acres.

9. Project: The Greenway, Block: 284, Part of Lot: 30, Township of Bloomfield, Essex County

Requesting Party: The NJDEP requests approval to formalize access to a residential property adjacent to the Greenway (former Norfolk Southern Railway Company property) in the Township of Bloomfield, County of Essex by conveying a permanent access easement of approximately 0.036 acre, but will not exceed 0.10 acre, to the current residential property owners; Rashida J. Blackwood and Heather Duley.

In August 2022 NJDEP purchased approximately 9 miles of former railroad right of way from the Norfolk Southern Railway Company to create a greenway corridor for future park, utility and transportation use. Shortly after closing the previous owners of Block 284, Lot 16, a neighboring property, requested that NJDEP formalize their access rights through Block 284, Lot 30 as part of the pending sale of their residence. The easement proposed for the benefit of Block 284, Lot 16 would formalize the property owners' current access rights within a defined right of way (the existing 10-foot wide driveway). Rather than substantially delay the pending sale all parties agreed to accept a one-year temporary access easement. The temporary access easement was executed on October 31, 2022. The NJDEP now seeks to convey a permanent access easement to Rashida J. Blackwood and Heater Duley, the current owners of Block: 284, Lot 16 to allow access to within a defined right of way that crosses a portion of Block 284, Lot 30. Block 284 Lot 16 is surrounded by private land on three sides

and is cut off from direct access to the Spruce Street on the fourth side by the former railroad right of way (Lot 30). As there is no feasible alternative to continuing the historical access through Lot 30, and doing so is not expected to interfere with future development plans for public use of the Greenway, the NJDEP recommends granting this access easement.

Terms: The easement would be non-exclusive, would require Ms. Blackwood and Ms. Duley (and their successors in title) to maintain the driveway and easement area, would be limited to the use of Block 284, Lot 16 for one single-family residence, and would allow the NJDEP to cross over the easement area as part of its future development of the Greenway (as long as it does not substantially interfere with access to Block 284, Lot 16). Under NJ case law, compensation is not required for an existing easement by necessity. Based upon the above, no additional compensation is proposed. All technical costs will be borne by the proposed grantees.

10. Project: Rancocas State Park, Block: 2702, Part of Lot: 6, Township of Southampton, Burlington County

Requesting Party: The NJDEP requests approval of a twenty (20) year lease with Pinelands Water and Wastewater Company for the continued operation of an existing emergency standby generator, which sits partially on land owned by the NJDEP in the Township of Southampton, Burlington County. This generator has been partially located on NJDEP's property since the time of State acquisition. The proposed lease will benefit the public by preventing the loss of power to the water well station on the proposed tenant's property in the event of a power disruption in the surrounding area. Allowing the generator to remain on NJDEP property is not expected to impact public use of Rancocas State Park.

Terms: The proposed rent for the first year of the lease is One Thousand Dollars and Zero Cents (\$1,000.00), with an annual increase of three percent (3%). The Year 1 amount is the current minimum annual rental set the by the NJDEP's Linear Corridor Leases Policy for public and private utility projects on NJDEP land.

11. Project: Delaware and Raritan Canal State Park, Block: 3601, Part of Lots: 8 and 9, Township of Lawrence, Mercer County

Requesting Party: The NJDEP requests approval of a twenty (20) year lease with Public Service Electric & Gas (PSE&G) for the installation, removal, maintenance, repair and operation of an existing 138-kV aerial electrical transmission line and access road. The lease will replace and supersede a twenty (20) year easement agreement that was executed in 2002. The NJDEP has determined that continued operation of the lease premises by PSE&G will not have a negative impact on the public use or enjoyment of the Delaware and Raritan Canal State Park.

Terms: The proposed annual rent for the first year of this lease is Seventeen Thousand Four Hundred Dollars and Zero Cents (\$17,400.00), with a three percent (3%) annual escalation for each subsequent year of the lease. This rate was established by an appraisal performed in December 2022, which valued the area at \$0.28/square foot.

12. Project: Delaware and Raritan Canal State Park, Multiple Blocks and Lots in Middlesex, Somerset and Mercer Counties:

(Area 1) Block: 101.09, Lot 1.01, City of New Brunswick, Middlesex County, (Area 2) Block: 466, Lot 10, Township of Franklin, Somerset County, (Area 3) Block: 515, Lot 4, Township of Franklin, Somerset County, (Area 4), Block 206, Lot 7.01, Township of Hillsborough, Somerset County, (Area 5) Block: 9001, Lot 13, Township of Montgomery, Somerset County, (Areas 6 & 7) Block 101, Lot 2, Township of South Brunswick, Middlesex County, (Area 8) Block 5101.01, Lot: 5.01, Township of Lawrence, Mercer County, (Area 9) Block 2506, Lot 1, City of Trenton, Mercer County, (Areas 10 & 11) Block: 137, Lot 1, Township of Hopewell, Mercer County

Requesting Party: The NJDEP requests approval to enter into a twenty (2) year lease with the United States Geological Survey (USGS) for the installation, removal, maintenance, repair and operation of 11 Gaging Stations within Delaware and Raritan Canal State Park in Mercer, Middlesex and Somerset Counties. The NJDEP would be a co-lessor with the New Jersey Water Supply Authority (NJWSA) and the Delaware and Raritan Canal Commission (Commission) collectively as Lessors. The Gaging Stations are entirely or partially within the Delaware and Raritan Canal Transmission Complex at the Delaware and Raritan State Park. Therefore, the lease will be administered entirely by the NJWSA.

Terms: Based on the services to be provided by the USGS to the Lessors over the life of the lease, a nominal consideration of \$1 per year is proposed. Since the leased premises are entirely within the transmission complex, the rent will be paid to the NJWSA.

DIVISION OF PENSIONS AND BENEFITS' REQUESTS:

13. Judicial Retirement System –

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

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

1. Approval of the Minutes of the Meeting Held on January 9, 2023.

2. Confirmation of Death Claims, Retirements and Survivor Benefits.
3. Receive Financial Statements for July 2022 through October 2022.
4. Proposed Readoption with Amendments to N.J.A.C. 17:10.
5. Surviving Spouse request to receive retired death benefits for Judge Kathy Qasim in Accordance with N.J.S.A.
6. Retired Judge Carlia (Brady) Holt Appeal of Denial of Retroactive Retirement date and Honorable Service Review.
7. Presentation by the actuary of the JRS Valuation Report and Results for July 1, 2022.

OTHER BUSINESS (as necessary)

ADJOURNMENT