

NEW JERSEY MEADOWLANDS COMMISSION
AGENDA

DATE: April 23, 2014
TIME: 10:00 a.m.
PLACE: Lyndhurst, New Jersey
RE: MONTHLY MEETING

1. Pledge of Allegiance
2. Sunshine Law Statement
3. Roll Call
4. REVIEW OF MINUTES - March 26, 2014
5. PUBLIC PARTICIPATION ON RESOLUTIONS
6. NJMC ANNUAL AUDIT

Resolution No. 14-14 Consideration of a Resolution Accepting the
NJMC 2013 Audit Report

7. VARIANCES

Resolution No. 14-15 Consideration of a Resolution Regarding the
Application for Four Bulk Variances for
Meadowlands Convenience Mart, LLC
(File #13-642, Brar Realty/Dunkin Donuts-
Addition/Signage-Variances)

8. SITE SUITABILITY

Resolution No. 14-16 Consideration of a Resolution Concerning a
Site Suitability Recommendation for a
Residential Development on Block 132, Lot 2,
In the Town of Secaucus (File #14-141, Blvd. Tire/
New Residential Townhouses)

Resolution No. 14-17 Consideration of a Resolution Concerning a
Revised Conditional Site Suitability Recommendation
For a Residential Development on Block 101, Lot 8,
In the Town of Secaucus (File #13-801, Hess/New
Residential Development & Variance)

NEW JERSEY MEADOWLANDS COMMISSION
AGENDA

9. **HMMC FUNDING**

Resolution No. 14-18 Consideration of a Resolution Authorizing Funding
for the Hackensack Meadowlands Municipal
Committee

- A. Commissioners
- B. Executive Director
- C. Directors
- D. HMMC Executive Director

10. **NEW BUSINESS**

11. **PUBLIC PARTICIPATION**

12. **CLOSED SESSION**

- A. Adopt Resolution No. 14-19 to hold Closed Session.
- B. Adjournment to Closed Session. The Commission Reserves the Right to Reconvene into Public Session, if necessary, to take Action on Closed Session Items.

**PLEASE CONTACT THE NJMC OFFICE (201-460-1700) PRIOR TO
MEETING IF SPECIAL REQUIREMENTS ARE NEEDED UNDER ADA**

NEW JERSEY MEADOWLANDS COMMISSION

DATE: March 26, 2014
TIME: 10:00 a.m.
PLACE: Lyndhurst, NJ
RE: MONTHLY MEETING MINUTES

COMMISSIONERS PRESENT:

Paul Macchia, Acting Chairman
Jay C. Nadel
Mauro DeGennaro
James V. Bocchino
Thomas Quirico
Albert E. Cameron
Robert Dowd

STAFF PRESENT:

Marcia Karrow, Executive Director
Bernard Nangle, Deputy Executive Director
Christine Sanz, Chief Operating Officer and Chief Counsel
Ed Bulmer, Director of Finance/Chief Financial Officer
Sara Sundell, Director Land Use Management
Thomas Marturano, Director of Natural Resources
Adam Levy, Director of Legal Affairs/Chief of
Renewable Energy Project Development
Francisco Artigas, Director of MERI
Peter Simon, Assistant Counsel to the Governor (via phone)
Maurice Griffin, DAG
Fred Dressel, HMMC
Lynn Johnson, Executive Assistant

1. Pledge of Allegiance
2. Executive Director Karrow read the Notice of Meeting required under the Sunshine Law.
3. Roll Call
4. REVIEW OF MINUTES

Minutes of the February 26, 2014 open session were moved by Commissioner DeGennaro, seconded by Commissioner Dowd and carried with all in favor.
5. PUBLIC PARTICIPATION ON RESOLUTIONS - None

6. SITE SUITABILITY

Resolution No. 14-13- Resolution issuing a decision on the suitability recommendation as required by the NJMC Interim Policies Governing Affordable Housing Development in the Meadowlands District – File No. 12-528, Hartz CC/Carpet Center Residential Development, Block 227, Lots 4.03 and 4.04 in Secaucus.

Motion to adopt the resolution was made by Commissioner Nadel, seconded by Commissioner Cameron and unanimously carried.

7. REPORTS -

Executive Director Karrow welcomed Peter Simon as the NJMC’s new Authorities Unit representative.

Executive Director Karrow announced that the NJMC’s Annual Report is finished and will be distributed mostly digitally this year. Executive Director Karrow thanked the communications staff for putting it together.

Mayor Dressel announced that HMMC will meet to address Land Use issues and is looking forward to working with Executive Director Karrow on the Master Plan.

8. NEW BUSINESS - None

9. PUBLIC PARTICIAPTION - None

10. CLOSED SESSION - None

Motion to adjourn the meeting was made by Commissioner Bocchino, seconded by Commissioner DeGennaro with all in favor.



 MARCIA A. KARROW, SECRETARY

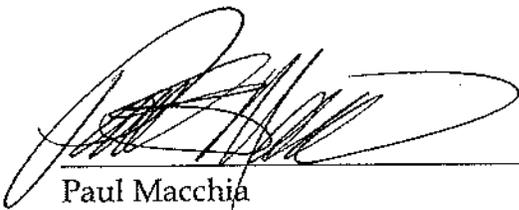
RESOLUTION#	14-13
Acting Chairman Macchia	Y
Comm. Bocchino	Y
Comm. DeGennaro	Y
Comm. Nadel	Y
Comm. Quirico	Y
Comm. Cameron	Y
Robert J. Dowd	Y

Y = Yes A= Abstain
 R = Recuse N = No
 - = Absent

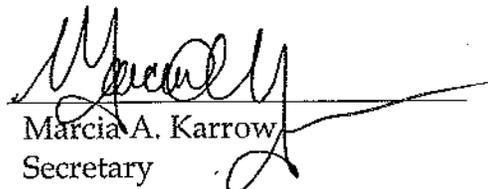
**RESOLUTION ACCEPTING THE NJMC 2013
AUDIT REPORT**

BE IT RESOLVED by the New Jersey Meadowlands Commission, that the Audit prepared by Ferraioli, Wielkotz, Cerullo and Cuva, certified Public Accountants, for the NJMC's General Operations, Solid Waste Operations, Grants and Trust Funds for the year ended December 31, 2013, is hereby accepted.

The foregoing resolution was adopted by Commission vote.


Paul Macchia
Acting Chairman

I hereby certify the foregoing to be a true copy of the Resolution adopted by the New Jersey Meadowlands Commission at their meeting of April 23, 2014.


Marcia A. Karrow
Secretary

Resolution No. 14-14

Motion Second Roll Call

Memorandum

New Jersey Meadowlands Commission



To: NJMC Commissioners & Marcia A. Karrow, Executive Director

From: Edward H. Bulmer Date: April 23, 2014

Subject: 2013 Comprehensive Annual Financial Report and Audit

The audit committee is pleased to submit to the NJMC's Board of Commissioners the Commission's 2013 Comprehensive Annual Financial Report and Audit. The report prepared by Ferraioli, Wielkocz, Cerullo and Cuva, gives the Commission an Unqualified Opinion (clean opinion) on all of its financial operations.

The Audit Report covers the financial results of the following activities of the Commission:

- The NJMC Operations, Maintenance, and Capital Projects Budgets.
- Activities of the New Jersey Meadowlands Environment Center.
- Financial Operations of the NJMC Solid Waste Baler Facility including the funds for closure and post closure of NJMC landfills.
- Fiduciary Funds, including grants received by the Commission.

The audit committee has had an exit conference with the audit firm and there have been no adverse financial management issues raised by the audit staff.

The staff responsible for the audit from the firm of Ferraioli, Wielkocz, Cerullo and Cuva will be present at our meeting to answer any questions.

Finally, I would like to acknowledge the work of the entire accounting staff and the audit firm on the successful audit.

attachment

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

Financial Statements
December 31, 2013

(With Independent Auditor's Report Thereon)

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)



2013 ANNUAL AUDIT REPORT
AND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2013

NEW JERSEY MEADOWLANDS COMMISSION
 (A Component Unit of the State of New Jersey)
 Financial Statements
 December 31, 2013

TABLE OF CONTENTS

	Page
Letter of Transmittal	1-6
Organizational Chart	7
Roster of Officials	8
FINANCIAL SECTION	
Independent Auditor's Report	9-12
Management's Discussion and Analysis	13-18
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements:	
Governmental Fund Financial Statements:	
Balance Sheet	21
Statement of Revenues, Expenditures and Changes in Fund Balances	22
Proprietary Fund Financial Statements:	
Statement of Net Position	23-24
Statement of Revenues, Expenses and Changes in Fund Net Position	25
Statement of Cash Flows	26
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position	27
Statement of Changes in Fiduciary Net Position	28
Notes to Financial Statements	29-32

NEW JERSEY MEADOWLANDS COMMISSION
 (A Component Unit of the State of New Jersey)
 Financial Statements
 December 31, 2013

TABLE OF CONTENTS, (CONTINUED)

	Page
Required Supplementary Information:	
Budgetary Comparison Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	53
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Environmental Center Fund	54
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Business Accelerator Fund	55
Other Governmental Funds:	
Capital Projects Fund - Schedule of Project Revenues, Expenditures, Project Balances and Project Status - Budgetary Basis	56
Combining Statement of Fiduciary Net Position	57
Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	58
Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	59
Other Supplemental Schedules:	
Schedule of Net Position by Component	60
Schedule of Changes in Net Position	61
NJMFC Property Acquisition Total Average by Municipality	62
NJMFC Landfill Tonnage	63
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	64-65
Independent Auditor's Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance as Required by OMB Circular A-133 and N.J. OMB Circular 04-04	66-68
Schedule of Expenditures of Federal Awards	69
Schedule of Expenditures of State Awards	70
Notes to the Schedules of Expenditures of Federal Awards	71
Schedule of Findings and Questioned Costs	72-74
Other Comments and Recommendations	75



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 Meadowlands Environmental Center, Two Delaware Park Plaza, 13th Floor, Newark, NJ 07102
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April 10, 2014

The Board of Commissioners
 New Jersey Meadowlands Commission

Re: Letter of Transmittal

The Comprehensive Annual Financial Report of the New Jersey Meadowlands Commission ("NJMC" or "Commission") for the year ended December 31, 2013 is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the NJMC. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the NJMC's financial position, results of operations, and cash flows in accordance with generally accepted accounting principles. In accordance with the accounting principles, the NJMC is a component unit of the State of New Jersey, and as such, is included in the State of New Jersey's Annual Report. The accompanying Management Discussion and Analysis provides detailed narrative information on the financial statements provided in the Comprehensive Annual Financial Report.

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Independent Audit

The certified independent public accounting firm of Ferrafio, Wielkoff, Cerullo & Curva was retained by the Commission to perform an audit of the 2013 fiscal year in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. In June 1999, the GASB adopted their Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for state and local governments. The Commission adopted GASB Statement No. 34 in fiscal year 2001, including the Management Discussion and Analysis (MD&A). The MD&A is considered to be required supplemental data and precedes the financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The accounting firm of Ferrafio, Wielkoff, Cerullo & Curva reports directly to the audit committee of the Board of Commissioners. An initial meeting prior to the start of the audit and a subsequent exit conference are held to discuss the results of the audit.

Profile of the New Jersey Meadowlands Commission

The NJMC, formerly known as the Hackensack Meadowlands Development Commission, was established within the Department of Community Affairs through an Act of Legislation in 1968. The name was officially changed to the New Jersey Meadowlands Commission under Chapter 232, Laws of 2001. The Commission operates with a seven-member Board of Commissioners and is given mandates of environmental protection, solid waste management and economic development over a 30-square mile region in Northern New Jersey known as the Hackensack Meadowlands District (HMD). The District is comprised of 10 towns in Bergen and 4 towns in Hudson counties. The NJMC's executive director heads a staff of professional, technical and operating personnel totaling 104 employees.

The NJMC holds monthly board meetings scheduled on the fourth Wednesday of each month. Action may be taken, and motions and resolutions adopted by the NJMC at such meetings by the affirmative vote of at least four members of the Board. All meetings held by the NJMC are in accordance with the Open Public Meetings Act which requires, *inter alia*, that all meetings of public bodies be open to the public.

Accounting System and Budgetary Controls

The NJMC's financial statements are prepared in accordance with generally accepted accounting principles. The Commission operates and reports the following major governmental funds:

- General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund.
- The NJMC's Environmental Center Fund includes revenues and expenditures associated with the operation of the Commissioner's Environmental Center.
- The NJMC Business Accelerator Fund includes the revenues and expenditures associated with the operation of this facility. The operation was concluded effective 10/1/2012, yet there were peripheral expenses through early 2013.
- Includes reporting of Fiduciary Funds where the NJMC acts as a trustee for the benefit of those outside of government, which includes indigence funds.

The Commission also reports using an Enterprise Fund for its solid waste landfill operations. This fund includes revenues and expenditures associated with the operation of the Commission's landfills, as well as the closure and post-closure costs of such landfills.

In an effort to ensure compliance with the Commissioner's By-Laws and to safeguard its assets, an internal control structure has been developed and implemented by management.

The internal control areas include:

- authorization levels for expenditures of Commission's funds;
- specific procedures to follow when initiating purchase requisitions, processing purchase orders, receiving goods and paying for services;
- separation of the accounts payable and receivable functions;
- solid waste revenue and scale house operations;
- bank reconciliation review;
- controls over deposits; and
- production of system-generated and manual checks.

The internal control structure also includes approved organization structures and approved budgets for capital and operating expenditures.

The Commission has also set up standards for procurement in accordance with applicable law. The standards include a threshold, over which the Board of Commissioners must approve all transactions. The Commission is in compliance with Executive Order No. 37 (2006) with respect to procurement and has amended its procedures to ensure 100% compliance.

The Commission adopts an annual budget for its governmental operations. The solid waste operations and landfill are regulated by the New Jersey Department of Environmental Protection. Each year during the budget process, senior management along with the Board of Commissioners, reviews operations to identify cost savings which when implemented will provide direct budget savings. This is an important step

since the Commission's operations are entirely self-funded without any appropriations from the State of New Jersey.

In calendar year 2013, the Commission continued to take steps to implement cost savings and reduce the overall cost of its operations, including continuation of several initiatives:

- In 2010, the Commission was awarded \$10 million, one of the largest federal grants it has ever received, for the implementation of a Meadowlands Adaptive Signal System for Traffic Reduction. In 2013, the Commission continued with the installation of the system and anticipates its completion in 2014. In addition, the NJMTC has contracted with NHDOT to extend the range of the MASTR Grant along Routes 1 and 9 to improve the traffic flow during the rebuilding of the Pulaski Skyway.
- In cooperation with Sundurance Energy, LLC, construction of a 5-megawatt solar facility was completed on the Commission's 1A Landfill in Kearny. Funding for this grid-connect project was provided by a federal stimulus grant and the FSE&G Solar 4 All Program. The Commission now collects lease revenues from FSE&G, which are reserved for future renewable energy projects.
- The Commission's shared equipment pool continues to enable towers to save tax payer dollars by providing the District municipalities with a vac truck, portable light tower and portable pump systems.
- The Meadowlands Environmental Research Institute continues to make enhancements to its early warning flood-alert system, which provides timely information 24/7 to emergency responders, through the addition of text message alerts. A tide-gate monitoring system was also implemented. The Institute has provided critical data to both local and regional authorities regarding the tidal surge created by Superstorm Sandy.

• In addition, the Meadowlands Environmental Research Institute was awarded an EPA Grant in the amount of \$234,996.00 to conduct a study titled: "Measurement of the Tidal Wetland Impairments for Acquisition and Enhancement in the Meadowlands." The results of the study will help guide future wetland enhancements and assist in better managing these natural resources in the District.

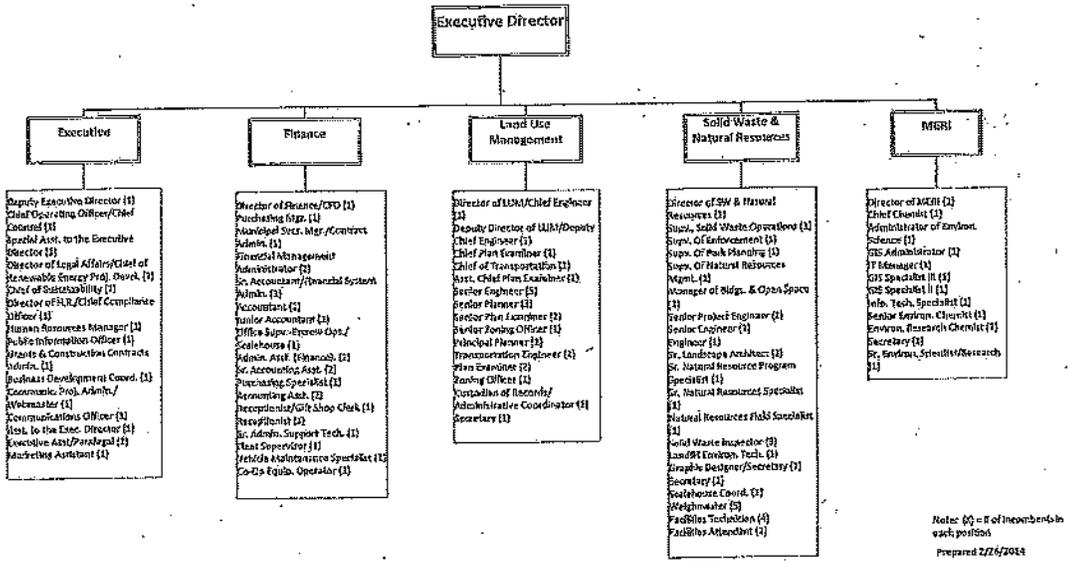
• The Commission staff continued its efforts to reduce the cost of operations by elimination of full-time positions through attrition, consolidations of job functions, elimination of discretionary spending where possible, utilization of successful grant funding applications and by keeping outside consulting costs at a minimum.

If you have any questions about this report or need additional financial information, contact the Director of Finance's office at 1 DeKorte Park Plaza, Lyndhurst, New Jersey.


March A. Karlov
Executive Director


Edward H. Bulmer
Director of Finance and Chief Fiscal Officer

New Jersey Meadowlands Commission
Incumbent List by Division
February 2014



Commissioner, New Jersey Department of Community Affairs

Chairman

Richard E. Constable, III

Executive Director

Marcia A. Karrow

Commissioners

James V. Bocchino

Albert E. Cameron, Jr.

Mauro DeGennaro

Robert Dowd

Jay C. Nadel

Thomas Quirico



Governor

Chris Christie

Ferraioli, Wielkocz, Cerullo & Cava, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkocz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cava, CPA, RMA
Thomas M. Fany, CPA, RMA

Certified Public Accountants
401 Vantage Avenue
Pompton Lakes, New Jersey 07412
973-885-7900
Fax 973-885-6631

Newark Office
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Newark, N.J. 07102
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INDEPENDENT AUDITORS' REPORT

The Board of Commissioners
New Jersey Meadowlands Commission

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Jersey Meadowlands Commission (the Commission), (A Component Unit of the State of New Jersey), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The Board of Commissioners
New Jersey Meadowlands Commission

Page 2

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of New Jersey Meadowlands Commission as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the New Jersey Meadowlands Commission's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2014 on our consideration of the New Jersey Meadowlands Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of

internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the New Jersey Meadowlands Commission's internal control over financial reporting and compliance.


Steven D. Winkotz, C.P.A.
Registered Municipal Accountant
No. CR00413


Ferraioli Winkotz, Cerullo & Cova, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

March 28, 2014



NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Management Discussion and Analysis
December 31, 2013

This section of the New Jersey Meadowlands Commission's (NJMC) annual financial report represents our discussion and analysis of the NJMC's financial performance during the fiscal year that ended December 31, 2013. Please read it in conjunction with the NJMC's financial statements.

Financial Highlights

- The Commission's governmental net position decreased by \$5.4 million or 8% due primarily to the sale of the Bethlehem Steel Property. In CY2012, the Commission's net position decreased by \$2.1 million or 3% due primarily to decreased fee income and the utilization of reserves to fund the budget.
- The total revenues for governmental funds increased by 15% or \$1.7 million due to proceeds from the sale of the Bethlehem Steel Property. In CY2012, the total revenues for governmental funds had decreased by 26% or \$4.1 million due to reduced grant funding.
- The total revenues for business type activities increased by \$1.0 million to \$26.7 million due to increased volume at the Keegan Landfill in conjunction with an increased disposal rate. In CY2012, the total revenues for business type activities had increased by \$1.6 million to \$25.7 million due to a July 1, 2012 increase in tipping fees at Keegan Landfill, increased lease revenues and a reduction in landfill liabilities.

Overview of the Financial Statements

- The annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Commission:
 - The first two statements are government wide financial statements that provide long-term and short-term information about the Commission's overall financial status.
 - The remaining statements are fund financial statements that focus on the individual parts of the Commission, reporting operations in more detail than the government wide statements.
- The governmental funds statements tell how the Commission services were financed in the short-term and what remains for future spending.
- Proprietary funds statements offer short and long-term financial information about the solid waste activities that are operated like a business.
- Fiduciary funds provide information about the financial relationships where the Commission acts as a trustee for the benefit of those outside of the government.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary financial information that sets forth comparisons of actual activity to the budgets of the General and Environmental Center Funds.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Management Discussion and Analysis
December 31, 2013

Financial Summary
The Commission's total net position decreased by \$5.4 million in 2013, from \$64.8 million to \$59.4 million. The Commission's net position had decreased \$2.1 million in 2012, from \$66.9 million to \$64.8 million. A comparative condensed summary of the Commission's statement of net position at December 31 is shown in Figure 1.

Figure 1
Condensed Summary of Net Position (Balance Sheets)
(In millions of dollars)

	2013	2012	Dollar change	Percent Change
Governmental Activities:				
Current and other assets	\$ 15.5	\$ 16.9	(1.4)	(8.3)%
Capital assets	33.3	40.6	(7.3)	(18.0)%
Total assets	\$ 48.8	\$ 57.5	(8.7)	(15.1)%
Other liabilities	9.3	11.0	(1.7)	(15.5)%
Total liabilities	\$ 9.3	\$ 11.0	(1.7)	(15.5)%
Invested in capital assets, net	33.3	40.6	(7.3)	(18.0)%
Restricted	7.7	7.6	0.1	1.3%
Unrestricted	(1.5)	(1.7)	0.2	(11.8)%
Total net position	\$ 39.5	\$ 46.5	(7.0)	(15.1)%
Business type activities:				
Current and other assets	\$ 24.5	\$ 24.4	0.1	0.4%
Capital assets	1.2	1.7	(0.5)	(29.4)%
Total assets	\$ 25.7	\$ 26.1	(0.4)	(1.5)%
Other liabilities	5.8	7.8	(2.0)	(25.6)%
Total liabilities	\$ 5.8	\$ 7.8	(2.0)	(25.6)%
Invested in capital assets, net	1.2	1.7	(0.5)	(29.4)%
Restricted	15.4	13.7	1.7	12.4%
Unrestricted	3.3	2.9	0.4	13.8%
Total net position	\$ 19.9	\$ 18.3	1.6	8.7%

NEW JERSEY MEADOWLANDS COMMISSION
 (A Component Unit of the State of New Jersey)
 Management Discussion and Analysis
 December 31, 2013

Revenue Highlights
 While the Balance Sheet shows the change in the financial position of net assets, the Statements of Revenues, Expenses and Net position indicates the nature and source of these changes. The NJMC solid waste facility averaged approximately 1,381 tons per day in CY2013 compared to 1,167 tons per day in CY2012.

Figure 2
Condensed Summary of Statement of Activities
 (in millions of dollars)

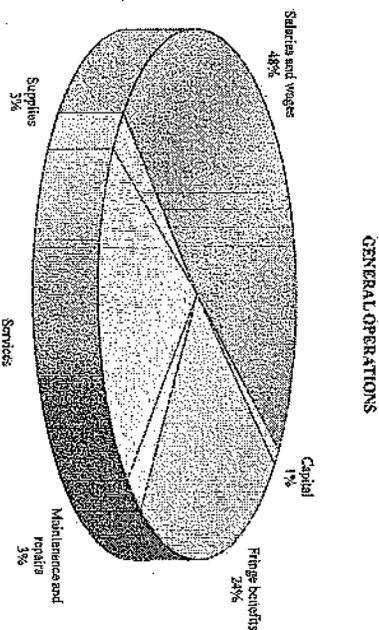
	2013	2012	Dollar change	Percent change
Governmental activities				
Program revenue	\$ 3.8	\$ 4.8	\$(1.0)	(20.8)%
General revenues and transfers	\$ 9.4	\$ 6.7	\$ 2.7	40.3%
Total revenues	\$ 13.2	\$ 11.5	\$ 1.7	14.8%
Commission operations	\$ 17.8	\$ 10.7	\$ 7.1	66.4%
Environmental Center	2.4	1.9	0.5	26.3%
MAGNET funds	0.0	0.2	\$(0.2)	(100.0)%
Business Accelerator	0.0	0.4	\$(0.4)	(100.0)%
Other Governmental Funds	0.1	0.6	\$(0.5)	(83.3)%
Miscellaneous	0.0	0.0	0.0	0.0%
Total expenses	\$ 20.3	\$ 13.8	\$ 6.5	47.1%
Change in net position	\$ (7.0)	\$ (2.3)	\$(4.7)	(204.3)%
Beginning net position	\$ 46.5	\$ 48.8	\$(2.3)	(4.7)%
Ending net position	\$ 39.5	\$ 46.5	\$(7.0)	(15.1)%
Business type activities				
Program revenue	\$ 25.3	\$ 20.8	\$ 4.5	21.6%
General revenues and transfers	\$ 1.5	\$ 5.0	\$(3.5)	(70.0)%
Total revenues	\$ 26.8	\$ 25.8	\$ 1.0	3.9%
Solid Waste				
Keegan Landfill Remediation	\$ 25.2	\$ 25.7	\$(0.5)	(1.9)%
Total expenses	\$ 0.0	\$ 0.0	\$ 0.0	0.0%
Change in net position	\$ 1.6	\$ 0.1	\$ 1.5	1,500.0%
Beginning net position	\$ 18.3	\$ 18.1	\$ 0.2	1.1%
Ending net position	\$ 19.9	\$ 18.2	\$ 1.7	9.3%

NEW JERSEY MEADOWLANDS COMMISSION
 (A Component Unit of the State of New Jersey)
 Management Discussion and Analysis
 December 31, 2013

Budgetary Highlights
 As required by its By Laws, the NJMC adopts an Operating and Capital Budget for its governmental operations prior to the start of its fiscal year. This budget remains in effect the entire year and can be revised by the NJMC Board of Commissioners during the fiscal year.

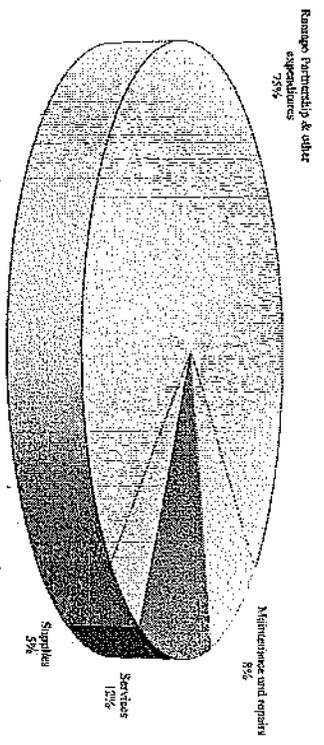
The NJMC solid waste operations are regulated as a utility by the Department of Environmental Protection and operate under a maximum permissible tariff inclusive of Host Community Payments and solid waste taxes. On July 1, 2013 the disposal rate was increased from \$52.00 to \$55.00 per ton inclusive of taxes and host community fees.

The following graphs show the breakdowns of the NJMC governmental fund budgets.



NEW JERSEY MEADOWLANDS COMMISSION
 (A Component Unit of the State of New Jersey)
 Management Discussion and Analysis
 December 31, 2013

ENVIRONMENT CENTER OPERATIONS



Meadowlands Area Grants for Natural and Economic Transformation (MAGNET)

In calendar year 2005, the NIMC launched the MAGNET Program. The intention of the MAGNET is to set aside funds to be used for tax relief incentives for District municipalities. A detailed budget outlining the amounts appropriated for MAP, environmental, economic development and improvement initiatives is currently in place. As of December 31, 2013, the balance in the MAGNET fund was \$2.4 million. There were commitments of \$1.8 million outstanding as of the end of the year.

Properties Sold and Available for Resale

In 2013, the NIMC completed the sale of the Bethlehem Steel site located in North Arlington for \$7.5 million. The NIMC, in 2014, intends to place properties located in North Arlington, Lyndhurst and Rutherford for sale on the market via an advertised RFP that is currently being developed by the Attorney General's Office.

NEW JERSEY MEADOWLANDS COMMISSION
 (A Component Unit of the State of New Jersey)
 Management Discussion and Analysis
 December 31, 2013

Capital Assets and Debt Administration

At the end of 2013, the Commission had invested \$65.4 million in a broad range of capital assets, including open space acquisition, land, solid waste facilities, its headquarters, and in equipment as shown in the following table:

	Capital Assets		Dollar change	Percent change
	2013	2012		
(in millions of dollars)				
NIMC/Environment center				
Building	\$ 16.4	\$ 16.4	0.0	0.0%
Land	19.1	28.3	(9.2)	(32.5)%
Infrastructure	1.1	1.1	0.0	0.0%
Construction in Progress	5.3	2.7	2.6	96.3%
Equipment	3.7	3.7	0.0	0.0%
Total	\$ 45.6	\$ 52.2	\$(6.6)	(12.6)%
Solid waste facilities				
Building	\$ 11.4	\$ 11.4	0.0	0.0%
Land	5.9	5.9	0.0	0.0%
Equipment	2.5	2.4	0.1	4.2%
Total	\$ 19.8	\$ 19.7	\$ 0.1	0.5%

Long-Term Debt

As of December 31, 2013, the NIMC did not have any outstanding debt.

Economic Factors

For calendar year 2014, the Commission does not expect a significant change in operating requirements, and the tonnage received at its solid waste facility is expected to stabilize.

Controlling Financial Management

The financial report is designed to provide citizens, people served by the Commission, vendors, and creditors with a general overview of the NIMC's finances. If you have any questions about this report or need additional financial information, contact the Director of Finance's office at 1 Decker Park Plaza, Lyndhurst, New Jersey.

NEW JERSEY READY-TO-BUILD LANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Net Position
December 31, 2013

	Governmental Activities		Business-type Activities		Total
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities	
ASSETS					
Cash and cash equivalents	10,821,869	3,083,088	13,904,957		13,904,957
Receivables, net	7,091,335	12,266,588	19,357,923		19,357,923
Accounts receivable		930,729	930,729		930,729
Other	136,466		136,466		136,466
Inventory	315,915		315,915		315,915
Capital Assets, net	12,857,299	2,857,299	15,714,598		15,714,598
Identified assets	53,246,745	1,234,110	54,480,855		54,480,855
Cash management fund		3,062,659		3,062,659	3,062,659
Investment receivable		6,024		6,024	6,024
Investments		2,272,891		2,272,891	2,272,891
Total Assets	86,780,838	23,713,486	110,494,324		110,494,324
LIABILITIES					
Accounts payable	96,718	333,291	430,009		430,009
Accrued liabilities	899,483	899,509	1,798,992		1,798,992
Unexpended revenue	1,075,499	1,075,499	2,150,998		2,150,998
Due to fiduciary funds	194,400	8,542	202,942		202,942
Measurement liabilities					
Due in more than one year	8,192,965	3,452,820	11,645,785		11,645,785
Total Liabilities	9,369,565	5,769,661	15,139,226		15,139,226
NET POSITION					
Invested in capital assets	33,240,755	1,234,110	34,474,865		34,474,865
Reserve for:					
Closure and post-closure	46,000	6,793,144	6,793,144		6,793,144
Open space acquisition	2,388,853		2,388,853		2,388,853
Facilities maintenance	781,074		781,074		781,074
Capital solutions and replacements	25,000	1,035,600	1,060,600		1,060,600
Insurance		5,122,546	5,122,546		5,122,546
Keegan landfill remediation	1,724,618		1,724,618		1,724,618
Flood Control	52,486		52,486		52,486
Subunit Transportation	142,175	2,451,612	2,593,787		2,593,787
Super-Storm Sandy Repairs	280,799		280,799		280,799
Renewable Energy	2,325,006		2,325,006		2,325,006
Project reimbursements		3,317,003	3,317,003		3,317,003
Unrecovered (Deficit)	(1,587,285)		(1,587,285)		(1,587,285)
Total net position	39,451,233	19,853,415	59,304,648		59,304,648

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NEW JERSEY READY-TO-BUILD LANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Activities
Year Ended December 31, 2013

	Governmental Activities		Business-type Activities		Total
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities	
OPERATING REVENUES					
Governmental activities:					
Commission operations	17,768,649	1,573,882	19,342,531		19,342,531
Environmental center	2,597,224	2,263,478	4,860,702		4,860,702
MAONET fund	18,982		18,982		18,982
Other Government funds	111,886		111,886		111,886
Total Governmental activities	20,576,741	3,837,360	24,414,101		24,414,101
Business-type activities:					
Solid waste	28,182,345	23,345,650	51,528,000		51,528,000
Total Business-type activities	28,182,345	23,345,650	51,528,000		51,528,000
Total primary government	48,759,086	27,183,010	75,942,096		75,942,096
OPERATING EXPENSES					
General revenues:					
Investment earnings		82,884	82,884		82,884
Priority Sales		7,380,000	7,380,000		7,380,000
Grants		35,040	35,040		35,040
Beneficial reuse monies			1,066,910		1,066,910
Keegan Landfill preservation expense			87,455		87,455
Rental of temporary site		300,000	300,000		300,000
Rental income - solid		124,144	124,144		124,144
Miscellaneous		1,449,821	1,449,821		1,449,821
Total general revenues		9,432,889	9,432,889		9,432,889
Change in Net Position		(6,995,692)	1,553,166		(5,442,526)
Net Position--beginning		46,444,824	18,300,289		64,745,113
Net Position--ending		39,451,233	19,853,415		59,304,648

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

JRW/ JANSZ/ SALUD/ YVA/ ANB/ COND/ SION
Local Government of San Marcos
2da. Etapa
Governmental Fund
December 31, 2013

	General Fund	Environmental Center Fund	MANCOT Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	7,149,552	772,547	2,455,632	449,889	10,827,620
Receivables	7,803,223				7,803,223
Receivable, net	117,868	92,649	10,072		220,589
Other	66,891				66,891
Due from other funds	15,221,131	1,696,574	2,465,270	483,820	19,866,795
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	38,247	4,906	2,486	4,000	49,639
Accrued liabilities	466,328	423,137		71,692	961,157
Due to other funds	3,092,284	554,922			3,647,206
Total liabilities	4,496,859	983,065	2,486	75,692	5,558,102
Fund balances					
Reserved for:					
- future operations	3,376,291	13,564			3,389,855
- additions and improvements	701,665	79,691			781,356
- bonded transportation		22,486			22,486
- open space acquisition	46,000				46,000
- special services	142,175				142,175
- special services	23,000				23,000
- special services	1,223,618				1,223,618
- special services	200,799				200,799
- special services	571,108				571,108
- special services		573,538			573,538
- special services			704,529		704,529
- special services			357,969		357,969
- special services				14,409,580	14,409,580
- special services				443,830	443,830
- special services	15,221,131	1,696,574	2,465,270	483,820	19,866,795
Total fund balances	19,866,795	703,779	2,465,270	483,820	21,520,664
Total liabilities and fund balances	19,866,795	703,779	2,465,270	483,820	21,520,664

Amount reported for governmental activities in the statement of net position (see) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$45,628,123 and the accumulated depreciation is \$12,967,350.

Employment Healthcare Benefits Plan (see) is reported in the statement of net position.

Accrued liability for compensated absences (see) is reported in the statement of net position.

The portion of governmental activities

The accompanying notes to these financial statements are an integral part of these statements.

JRW/ JANSZ/ SALUD/ YVA/ ANB/ COND/ SION
Local Government of San Marcos
2da. Etapa
Governmental Fund
Year Ended December 31, 2013

	General Fund	Environmental Center Fund	MANCOT Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Fees and charges	1,379,451	714,888			2,094,339
Interest on investments	214,451				214,451
Capital assets	3,600,049				3,600,049
Supplies, materials, and services	328,442				328,442
Other revenue	1,388,070				1,388,070
Property taxes	4,271,000				4,271,000
Intergovernmental	1,500,000				1,500,000
Grants	1,500,000				1,500,000
Use of proceeds - bonds	259,275	28,398			287,673
Other income	174,124				174,124
Investment income	19,000				19,000
Revenue from other sources	19,000				19,000
Total revenues	10,934,812	1,230,116	5,886		12,170,814
EXPENDITURES					
Current operations	6,916,931	649,133	19,282		7,585,346
Capital operations	27,104	1,702,488			1,729,592
Capital expenditures		1,000			1,000
Debt service	121,817				121,817
Other debt service	1,000				1,000
Other expenditures	366,139	2,611			368,750
Total expenditures	7,426,001	1,755,232	19,282		9,190,515
Reconciliation of revenues over expenditures	1,458,811	474,884	(13,396)		1,820,299
Other financial resources (use):					
Transfer in	65,621				65,621
Transfer out	(65,621)				(65,621)
Total other financial resources (use)					
Change in fund balances - total governmental funds	1,458,811	474,884	(13,396)		1,920,299
Beginning fund balances - total governmental funds	19,866,795	703,779	2,465,270	483,820	21,520,664
Ending fund balances - total governmental funds	21,325,606	1,178,663	2,451,874	483,820	25,443,963

The accompanying notes to these financial statements are an integral part of these statements.

NEW JERSEY MEADOWLANDS COMMISSION
 (A Component Unit of the State of New Jersey)
 Statement of Net Position
 Proprietary Funds
 December 31, 2013

ASSETS	Solid Waste Enterprise Fund
Current assets:	
Cash and cash equivalents	3,083,088
Due from other funds	3,779,078
Receivables, net	
Accounts	990,729
Total current assets	<u>7,792,895</u>
Noncurrent assets:	
Investments	12,266,586
Restricted assets:	
Cash management fund	3,068,639
Interest receivable	6,024
Investments	2,272,891
Capital assets	1,234,110
Total noncurrent assets	<u>18,842,270</u>
Total assets	<u>26,635,165</u>

NEW JERSEY MEADOWLANDS COMMISSION
 (A Component Unit of the State of New Jersey)
 Statement of Net Position
 Proprietary Funds
 December 31, 2013

LIABILITIES	Solid Waste Enterprise Fund
Current liabilities:	
Accounts payable	323,791
Accrued liabilities	899,509
Unearned revenue	1,075,499
Due to other funds	990,021
Total current liabilities	<u>3,228,820</u>
Noncurrent liabilities:	
Compensated absences	415,589
Accrued liability for closure and post-closure costs	3,037,341
Total noncurrent liabilities	<u>3,452,930</u>
NET POSITION	
Invested in capital assets	1,234,110
Restricted	15,402,302
Unrestricted	3,317,003
Total net position	<u>19,953,415</u>
Total liabilities and net position	<u>26,635,165</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NEW JERSEY MEADOWLANDS COMMISSION
 (A Component Unit of the State of New Jersey)
 Statement of Revenues, Disbursements, and Changes in Fund Net Position
 Proprietary Funds
 Year Ended December 31, 2013

Operating revenues:		Solid Waste Enterprise Fund
Fees for services	25,345,650	
Beneficial reuse materials	1,066,910	
Total operating revenues	<u>26,412,560</u>	
Operating expenses:		
Baldwin	5,775,601	
Hudson/Union County Authorities	5,649,436	
General operating	7,984,437	
Equipment maintenance and garage	483,277	
Parts and Open Space	792,307	
MERL/Laboratory	2,249,194	
Mediate Monitoring Expense	86,433	
Depreciation	547,883	
Closure Expenses	1,500,038	
Total Operating Expenses	<u>22,850,666</u>	
Operating income (loss)	1,361,894	
Nonoperating revenues (losses):		
Keegan Baldwin recreation escrow liabilities cancelled	83,483	
Net change in fair value of investments	(101,677)	
Investment income	307,664	
Total nonoperating revenues (losses), net	<u>291,272</u>	
Change in net position	1,653,166	
Total net position, beginning of year	18,300,249	
Total net position, end of year	<u>19,953,415</u>	

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NEW JERSEY MEADOWLANDS COMMISSION
 (A Component Unit of the State of New Jersey)
 Statement of Cash Flows
 Proprietary Funds
 Year Ended December 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES		Cash and cash equivalents, beginning of year
Revised from statement	21,341,943	
Payments to employees	(3,200,423)	
Payments to suppliers	(19,699,259)	
Beneficial reuse materials	1,066,910	
Miscellaneous	(754,272)	
Net cash provided by (used for) operating activities	<u>1,747,298</u>	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Landfill remediation and post-closure	2,113,820	
Net cash provided by (used for) noncapital financing activities	<u>(2,113,820)</u>	
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Exercise of capital stock	(175,572)	
Net cash provided by (used for) capital financing activities	<u>(175,572)</u>	
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase	331,448	
Proceeds from sales of investments	706,321	
Net cash provided by (used for) investing activities	<u>1,037,801</u>	
Net increase (decrease) in cash and cash equivalents	702,946	
Cash and cash equivalents, beginning of year	2,329,102	
Cash and cash equivalents, end of year	<u>3,032,048</u>	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	1,361,894	
Depreciation expense	547,883	
Change in assets and liabilities:		
Receivables, net	187,679	
Accounts payable	(144,713)	
Accounts receivable	(301,012)	
Deferred revenues	(294,481)	
Due to/from other funds	391,318	
Net cash provided by (used for) operating activities	<u>1,747,298</u>	

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NEW JERSEY MEADOWLANDS COMMISSION
 (A Component Unit of the State of New Jersey)
 Statement of Fiduciary Net Position
 Fiduciary Funds
 December 31, 2013

ASSETS

Cash and cash equivalents	6,652,055
Accounts Receivable	2,344,178
Due from other funds	202,742
Total assets	<u>9,198,975</u>

LIABILITIES

Accounts payable and accrued liabilities	408,132
Kingsland environmental remediation	1,875,889
Construction deposits	260,464
Rutherford post closure security	157,103
Security Deposit - SAJO (ESJ)	126,077
Contract retainage	1,174,475
Due to other funds	355,943
Total liabilities	<u>4,358,003</u>
NET POSITION	<u>4,840,972</u>
Net position held in trust	<u>4,840,972</u>
Total net position	<u>4,840,972</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NEW JERSEY MEADOWLANDS COMMISSION
 (A Component Unit of the State of New Jersey)
 Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Year Ended December 31, 2013

ADDITIONS

Transportation Planning District Fees	427,046
Other	106,400
Interest	8,690
Grant Revenues	2,344,178
Backstop Borrow	189,305
Total additions	<u>3,075,620</u>

DEDUCTIONS

Mitigation Expenses	188,386
Transportation Planning District Fund Expenditures	3,538,868
Change in net position	<u>(651,634)</u>
Net position, beginning of the year	5,492,606
Net position, end of the year	<u>4,840,972</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the New Jersey Meadowlands Commission, formerly known as Hackensack Meadowlands Development Commission conform to accounting principles generally accepted in the United States of America as applicable to governmental entities. The following is a summary of the more significant policies:

A. Reporting Entity:

New Jersey Meadowlands Commission (the Commission), which is considered a component unit of the State of New Jersey, was established in 1968. The Commission operates with a board of commissioners and provides oversight of the solid waste removal, environmental protection, and development in the Hackensack Meadowlands district.

The basic financial statements include all funds of the Commission over which the Commission exercises oversight responsibility. The decision to include a potential component unit in the Commission's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the Commission has no component units. Furthermore, the Commission is includable in the State of New Jersey reporting entity on the basis of such criteria.

B. Basis of Presentation - Fund Accounting

Government-wide Statements

The statement of net position and the statement of activities display information which include the overall financial activities of the Commission. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the Commission. Governmental activities generally are financed through intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the Commission's business-type activity and for each function of the Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

The fund financial statements provide information about the Commission's funds. Separate statements for each fund category applicable to the Commission - governmental and proprietary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as fees for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment income, result from nonexchange transactions or ancillary activities.

The Commission reports the following major governmental funds:

- General fund. This is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund.
- New Jersey Meadowlands Commission Environmental Center fund. This fund accounts for the proceeds of revenues generated by the Commission's Environmental Center.
- The New Jersey Meadowlands Commission Business Accelerator Fund includes the revenues and expenditures associated with the operation of this facility.

The Commission reports the following major enterprise fund:

- Solid Waste Enterprise fund. This fund accounts for the activities of the landfills operated by the Commission, as well as the closure and post-closure costs of such landfills.

Fiduciary Fund

This fund accounts for the proceeds of deposits held in trust for others. Mitigation, tax sharing and environmental activities are reported in this fund.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

The accounts of the Commission are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary.

C. Basis of Accounting

Effective for the year ended December 31, 2001, the Commission adopted three pronouncements of the Governmental Accounting Standards Board (GASB). GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus* and No. 38, *Certain Financial Statement Note Disclosures*.

As a result of its adoption, the financial statements herein present a section for Management's Discussion and Analysis and present a statement of cash flows using the direct method as specified in GASB Statement No. 9.

Government-wide Statements

On January 1, 2012, the New Jersey Meadowlands Commission adopted the provisions of Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and net Position*, which amends the net asset reporting requirement of Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and other pronouncements by incorporating deferred outflows from resources into the definitions of the required components of the residual measure and by retaining that measure as net position, rather than net assets. The classifications of net position are defined as follows:

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Government-wide Statements, (continued)

- *Invested in capital assets, net of related debt* - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are any significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather that portion of the debt is included in the same net assets component as the unspent proceeds.

- *Restricted* - This component of net position consists of constraints placed on net assets used through external constraints imposed by creditors (such as through debt covenants), grantors, contributions, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted* - This component of net position consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and other contributions. Revenue from such nonexchange transactions is recognized in the fiscal year in which all eligibility requirements have been satisfied.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available to pay liabilities of the current period. The Commission recognizes revenues that are expected to be collected within 90 days of year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest of general long-term debt and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in government funds. Proceeds of long-term debt are reported as other financing sources.

GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Funds*, provides proprietary activities with a choice of authoritative guidance after November 30, 1989. The Commission has elected to follow GASB pronouncements exclusively after that date for all business-type activities and enterprise funds. The following is a summary of other significant accounting policies of the Commission.

D. Investments

Investments are stated in the financial statements at fair value based upon quoted market prices.

E. Accumulated Unpaid Vacation and Sick Pay

The Commission employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation days up to the actual days accrued. Reimbursement for accumulated sick leave is only made to employees at retirement, based upon a formula contained in the Commission personnel manual. Accumulated unpaid vacation and sick pay is accrued when incurred in the government-wide and proprietary funds. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Unearned Revenues

Revenues from the sale of solid waste disposal tickets are deferred until such time as the tickets are turned in by haulers at the Commission landfill facility. In calendar year 2004, the NJMAC discontinued the use of the prepaid ticketing system and replaced it with a prepaid hauler escrow account system.

G. Capital Assets

Capital assets are stated at cost or estimated historical cost. Contributed fixed assets are recorded at their estimated fair market value at the time received. Depreciation is provided using the straight-line method over estimated useful lives ranging from five to ten years for all assets. There is no capitalized interest included in capital assets.

H. Accrued Liability for Closure and Post-closure Costs

The accrued liability for closure and post-closure costs represents funds collected as part of the solid waste tariff, which are required to be established to pay for the cost of closure and post-closure of landfills.

I. Payable from Restricted Assets - Landfill Closure

The payable from restricted assets - landfill closure, represents funds collected as part of the solid waste surcharge, which is determined by the Department of Environmental Protection, which are required to be established to pay for the cost of closure and post-closure of landfills. These amounts are based upon engineering studies which are evaluated on a yearly basis.

J. Cash and Cash Equivalents

Cash and cash equivalents are stated at cost. Cash and cash equivalents include cash in banks and certificates of deposit with original maturities of less than three months from date of purchase.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Fund Balances

- Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Commission's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- Assigned fund balance comprises amounts *intended* to be used by the Commission for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

L. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, and expenditures during the reporting period. Actual results could differ from those estimates.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 2: CASH AND INVESTMENTS

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposit may not be returned to it. The year-end amount on deposit with banks was \$45,992,935. The Commission's deposits at year-end were partially insured by Federal Depository Insurance in the amount of \$500,000. The Commission's primary depository has provided to a third-party trustee collateral in the name of the Commission to cover the remaining interest-bearing account balance of the Commission.

The Commission's investment policy permits the investing of funds in the following types of investments:

- Any direct and general obligation of the United States of America;
- Any bond, debenture, note, or participation certificate issued by any of the following Federal agencies: Bank for Cooperatives, Federal Intermediate Credit Bank, Federal Home Loan Bank System, Federal Land Banks, Export-Import Bank, Tennessee Valley Authority, Federal National Mortgage Association, Government National Mortgage Association, or Farmers Home Administration;
- Negotiable or nonnegotiable certificates of deposit issued by any bank, savings and loan association, or national banking association, if qualified to serve as a depository for public funds under the provisions of the Governmental Unit Deposit Protection Act, N.J.S.A. 17:9-41, et seq.;
- Negotiable or nonnegotiable certificates of deposit issued by any bank, savings and loan association, trust company, or national banking association having capital and surplus of more than \$25,000,000, and which certificates of deposit are continuously secured by direct obligations of the United States of America that shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Commission or a designated custodian;

NEW JERSEY MEADOWLANDS COMMISSION
 (A Component Unit of the State of New Jersey)
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2013
 (continued)

NOTE 2: CASH AND INVESTMENTS (continued)

- (e) Deposits in the State of New Jersey Cash Management Fund; and
- (f) Deposits in interest-bearing accounts in any bank, savings and loan association, trust company, or national banking association, if qualified to serve as a depository for public funds under the provisions of the Governmental Unit Deposit Protection Act, N.J.S.A. 17:29-41, et seq., or if having capital and surplus of more than \$25,000,000.
- The Commission's investments are summarized below as category 1 which include investments that are insured or registered or for which the securities are held by the Commission or its agent in the Commission's name.

The following is a summary of investments at December 31, 2013:

Category:	Fair Value	Category
United States Agency Notes	\$301,278	1
United States Treasury Notes	1,614,189	1
Treasury Inflation Protected Securities	252,957	
Money Market Funds:		
United States Government	19,442,860	1
	21,611,384	
Noncategorized:		
State of New Jersey Cash Management Fund - pooled investments	3,107,984	
	<u>\$24,719,368</u>	

NEW JERSEY MEADOWLANDS COMMISSION
 (A Component Unit of the State of New Jersey)
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2013
 (continued)

NOTE 3: CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended December 31, 2013:

	Balance Dec. 31, 2012	Additions	Deletions	Balance Dec. 31, 2013
Governmental activities:				
Capital assets that are not being depreciated:				
Land	\$58,349,101	\$	(\$9,285,000)	\$49,064,101
Infrastructure	1,009,300	2,603,244		3,612,544
Construction in Progress	4,801,455			4,801,455
Total capital assets not being depreciated	\$2,170,556	2,603,244	(9,285,000)	\$2,488,800
Building and building improvements	16,437,468	28,392	(24,050)	16,441,810
Machinery and equipment	3,656,500	98,492	(72,050)	3,772,942
Furniture and fixtures	20,093,968			20,093,968
Total accumulated depreciation for:				
Building, improvements and equipment	(8,486,487)	(592,262)	35,029	(9,043,720)
Machinery and equipment	(3,168,622)	(134,284)		(3,302,906)
Total accumulated depreciation	(11,655,109)	(726,546)	35,029	(12,405,626)
Total capital assets being depreciated, net of accumulated depreciation	\$458,854	(\$28,892)		\$429,962
Government activities capital asset, net	\$20,589,426	\$1,966,345	(\$9,285,000)	\$12,270,771
Business-type activities:				
Land and landfills	\$,902,134			\$,902,134
Total historical cost	5,902,134			5,902,134
Less accumulated amortization for:				
Landfills	(4,370,039)	(608,031)		(4,978,070)
Total accumulated depreciation	(4,370,039)	(608,031)		(4,978,070)
Total landfills are being amortized, net of accumulated amortization	1,532,095	(\$28,031)		1,504,064
Building and building improvements	11,375,033	178,572	(10,023)	11,443,582
Machinery and equipment	2,418,707	178,572	(48,023)	2,549,256
Total historical cost	13,793,740	357,144	(58,046)	14,092,838
Less accumulated depreciation for:				
Building, improvements and equipment	(11,375,033)	(78,873)	40,023	(11,413,883)
Machinery and equipment	(2,286,361)	(70,823)	40,023	(2,317,161)
Total accumulated depreciation	(13,661,394)	(149,696)	80,046	(13,830,044)
Total buildings, improvements and equipment are being depreciated, net of accumulated depreciation	122,346	(\$9,752)		112,594
Business-type activities capital assets, net	\$1,646,441	(\$212,331)	\$	\$1,434,110

Depreciation for buildings and furniture, fixtures and equipment for the year was \$737,295 allocated as follows: Commission operations - \$560,345 and Environmental Center - \$176,951.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 4: OPERATING LEASES

The Commission has commitments to lease certain buildings and office equipment under operating leases that expire in 2031. Total operating lease payments made during the year ended December 31, 2013 were \$256,357. Future minimum lease payments are as follows:

Year Ending	Amount
December 31,	
2014	\$252,711
2015	219,808
2016	197,932
2017	197,932
2018	197,932
2019-2023	989,660
2024-2028	989,660
2029-2033	544,313
	<u>\$3,589,948</u>

NOTE 5: RETIREMENT SYSTEMS

Substantially all of the Commission's employees participate in the Public Employees' Retirement System (PERS) contributory defined benefit retirement system (retirement system) which has been established by State statute and is sponsored and administered by the State of New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the system will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625.

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 5: RETIREMENT SYSTEMS, (continued)

eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 5% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for uncollected benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 5: RETIREMENT SYSTEMS, (continued)

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S.21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employees the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8 1/2 percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The Commission opted for this deferral in the amount of \$258,746. As of December 31, 2013, the remaining balance is \$234,863.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PERS. In the PERS and PERS, the employer contribution includes funding for post-retirement medical premiums.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 5: RETIREMENT SYSTEMS, (continued)

The Commission's contribution to the public employee's retirement system, equal to the required contributions for each year, were as follows:

Year Ended	Amount
December 31,	
2013	\$967,659
2012	1,016,343
2011	983,434

NOTE 6: CLOSURE AND POST-CLOSURE REQUIREMENTS

The Commission has set aside funds for closure and post-closure for its landfills. In the event the monies in the statutory accounts are not sufficient, the State of New Jersey will address any future liabilities for closure and post-closure for its landfills. The assumption of this liability by the State occurred in CY2003, when the Commission transferred \$30 million from its closure and post-closure accounts to the State's General Fund to meet its statutory obligations under the New Jersey State 2003-2004 budget.

NOTE 7: REMEDIATION OF KEEGAN LANDFILL

On June 14, 2005, the NIMC entered into a lease agreement with the Town of Kearny for the remediation of Keegan Landfill through future reopening of the facility for construction and demolition waste. It is expected that sufficient revenues will be generated through the tipping fees at Keegan Landfill to reimburse the Commission for all costs associated with this lease. At the completion of operations and closure of the Keegan Landfill, the NIMC will assist the Town of Kearny with the construction of recreational facilities at the site. The Commission has made payments to the Town of Kearny totaling \$8,750,151 since the agreement's inception.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 8: MEADOWLANDS AREA GRANTS FOR NATURAL AND ECONOMIC TRANSFORMATION (MAGNET)

In calendar year 2005, the NIMC launched the MAGNET Program. The intention of the MAGNET is to enhance the NIMC's existing Municipal Aid Program (MAP) by ensuring that monies are set aside for tax relief incentives for District municipalities. A detailed budget outlining the amounts appropriated for MAP, environmental, economic development and capital improvements initiatives is currently in place. As of December 31, 2013, the balance in the MAGNET fund was \$2,463,667. There were commitments of \$1,755,138 outstanding as of the end of the year.

NOTE 9: DEFERRED COMPENSATION PLANS

The Commission participates in two deferred compensation plans as follows:

- (a) New Jersey State Employees Deferred Compensation Plan - This Plan is an IRC Section 457 deferred compensation plan administered by the State of New Jersey and accordingly, is included in the financial statements of the State. The Plan, available to all State employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The Plan is funded solely from voluntary employee contributions. Employee contributions and investment earnings thereon are a part of the State Plan. Employees may defer a maximum 50% of their salary or \$17,500, whichever is less. Investments are on an individual participant basis and the total investment for all the Commission employees is unknown.

- (b) AG Retirement - This 457(b) plan, which commenced operations on December 31, 1985, is funded solely from voluntary employee contributions. The Plan is administered by AG Retirement. All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the participating employees, and are not included in the accompanying financial statements. Employee contributions in 2013 were \$75,084.

NOTE 10: PROPRIETARY FUND - RESTRICTED ASSETS

Assets are restricted for closure and post-closure expenses in the Solid Waste Enterprise Fund based upon management's estimate.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 11: INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2013 consist of the following:

Dollar Amount	Description
\$3,768,334	Due to the Solid Waste Fund from the General Fund.
53,726	Due to the General Fund from the Study Fund.
355,943	Due to the General Fund from the Transportation Planning District.
356,722	Due to the General Fund from the Environment Center.
186,950	Due to the Mitigation Trust Fund from the General Fund.
7,450	Due to the Mitigation Trust Fund from the Study Fund.
921,679	Due to the Environment Center from the Solid Waste Fund.
10,744	Due to the Solid Waste Fund from the Study Fund.
8,342	Due to the Mitigation Trust Fund from the Solid Waste Fund.
<u>\$5,869,890</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 12: GOVERNMENT-WIDE NET ASSETS

Net assets are restricted in the General Fund as follows at December 31, 2013:

Maintenance	\$2,370,291
Additions and replacements	791,983
Open space acquisition	46,000
Renewable Energy	280,799
Insurance	25,000
Flood Control	1,724,618
Super Storm Sandy Repairs	<u>142,175</u>
	<u>\$5,280,866</u>

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 13: LITIGATION

Meadowlands Golf Redevelopment Project. As previously reported in 2009, EnCap agreed with the New Jersey Meadowlands Commission (NJMC) to remediate 785 acres within the Hackensack Meadowlands District in Bergen County comprising four former landfill. EnCap also agreed that upon completion of the remediation, it would develop 100 acres of the remediated land, with the remainder of the site preserved as open space. Financing for the project was secured by EnCap in the form of a loan of New Jersey Environmental Infrastructure Trust (NJEIFT) bond proceeds in the approximate amount of \$107 million and a loan of Department of Environmental Protection (NJDEP) monies from the State Revolving Fund in the approximate amount of \$104 million.

In 2007, EnCap defaulted under the agreement by failing to make required progress in the remediation. EnCap also defaulted under its loan agreements with the NJEIFT and NJDEP, and ultimately defaulted under letters of credit issued by a bank syndicate led by Wachovia Bank. After efforts to cure the defaults and have the project failed, EnCap filed a Chapter 11 Reorganization petition in the U.S. Bankruptcy Court. However, the bankruptcy was ultimately dismissed and NJMC has since terminated the redevelopment agreement with EnCap and terminated EnCap's right, title and interest in the project site.

Immediately after dismissal of the bankruptcy, NJMC filed complaints in the Superior Court, Bergen County, to effectuate a reversion of the property from EnCap (quiet title) to the NJMC and to compel the surety to honor a \$148 million performance bond secured by EnCap, both as required under the agreement. Further, a foreclosure action previously filed by the banks under a mortgage they received from EnCap on the property in exchange for issuing the letters of credit was revived. The surety, American Flame Assurance (AFA), has since agreed to perform under the performance security and a Takeover Agreement has since been executed allowing that to happen.

Virtually all related matters, involving these parties, including the banks' foreclosure action and the NJMC quiet title action, were consolidated before Judge Conillo. The parties to the matter were sent to mediation with former Chief Justice Zazzali. Through this process NJMC and AFA were able to settle the claims of the Banks and P&Ss, an EnCap contractor.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 13: LITIGATION (continued)

Subsequent to mediation, AFA and NJMC filed joint motions for summary judgment against the remaining parties to the litigation, including Mactec, a construction company who did work for EnCap at the site and claimed damages of \$30+ million. The motions were granted in their entirety with Judge Conillo ruling that the properties reverted back to NJMC in 2008 free and clear of any mortgages or construction liens. Mactec moved for a stay of the decision which was granted.

After the issuance of the stay, Mactec reached a settlement with Lexington, an affiliate of AFA, regarding an additional policy covering the site whereby Mactec agreed to drop all of its claims in the Wachovia litigation including its appeal rights concerning the summary judgment decision in exchange for \$19.75 million out of that policy.

NJMC has filed a new action which is before Judge Conillo to declare invalid and extinguish a punitive judgment lien which clouds the fee simple title to the above referenced property that was vested in the NJMC *in re* to May 9, 2008 by virtue of a March 31, 2011 Order ("Quiet Title Order"). This new punitive judgment lien arises as a result of an apparent September 20, 2010 Consent Order to Enter Judgment in the amount of \$3 million against EnCap Golf Holdings, LLC ("EnCap") ("Jersey Meadows Judgment") entered in a matter last captioned *Jersey Meadows, LLC v. EnCap Golf Holdings, LLC, et al*, Docket No. 1:07-cv-008 ("Jersey Meadows Action"). This matter has been settled between the parties and resulted in a \$100,000,000 payment to Jersey Meadows, LLC.

All litigation involving the towns and tax liens, and any judgments have been resolved.

NJMC v. S. Ratorodi & Sons. On March 20, 2013, NJMC filed an action against S. Ratorodi & Sons (Ratorodi) related to a vegetative waste transfer station lease. Each party alleges a breach of the lease agreement. The total of lease payments over the 54 month lease is \$2,106,000.00. The parties' allegations relate to what is and was due under the lease. NJMC alleges approximately \$1,000,000.00 is due under the lease. Ratorodi alleges that NJMC's breach also caused it economic damages in an amount to be determined. This matter continues in discovery.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 13: LITIGATION (continued)

Bowles Compensation Services. On November 29, 2006, NIMC entered into a contract for security guard services (the "Contract") with Bowles Security Services ("Bowles"). In June 2012, NIMC received notice that the New Jersey Department of Labor ("Labor") had initiated an action against Bowles for failure to pay wages to security personnel under the New Jersey Building Services Contract Act ("BSCA"), N.J.S.A. 34:11-56.8 et seq.

Although Labor took action against Bowles, and not NIMC, there is the potential the Bowles could sue NIMC to recover the outstanding amount alleged not to have been paid to employees under the BSCA. The difference between the amount that is alleged to have been due from the BSCA and what was paid is approximately \$410,000. Bowles could attempt to sue NIMC for any or all of this amount that is alleged to owe to its former employees. The matter has been fully resolved between Bowles and NIMC by NIMC paying \$88,000 to Bowles for assumption of any and all future liability and defense from any suits resulting in this matter. Bowles subsequently has settled all claims asserted against it by Labor and those that could have been asserted separately against Bowles and NIMC by the employees.

NOTE 14: POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAP and PERs, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or disability retirement. As of June 30, 2012, there were 97,661 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve that increases by one half 1% of the active State payroll.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERs and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2012, the State paid \$146.6 million toward Chapter 126 benefits for 15,709 eligible retired members.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 15: RISK MANAGEMENT

Property and Liability Insurance

The Commission maintains commercial insurance coverage for property, liability and surety bonds that covers the risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage.

New Jersey Unemployment Compensation Insurance

The Commission has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the Commission is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Commission is billed quarterly for amounts due to the State. There were no reimbursements which were required to be paid to the State for the current year.

NOTE 16: POSTEMPLOYMENT HEALTHCARE PLAN

Postemployment Benefits Other Than Pensions

The Commission sponsors a single employer postemployment benefits plan that provided benefits in accordance with State statute, through the State's Health Benefits Bureau to eligible retirees, their spouses/domestic partners and eligible dependent children and continues to be provided on behalf of the surviving spouses/domestic partner or a retiree. Employees and/or their spouses/domestic partners become eligible for these benefits upon 25 years or more of service in the Public Employees Retirement System (PERS) or those approved for disability retirement.

Pursuant to GASB Statement No. 45 ("GASB 45"), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the Commission obtained an actuarially determined calculation for this obligation.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 16: POSTEMPLOYMENT HEALTHCARE PLAN, (continued)

The Commission's annual other postemployment benefits ("OPEB") costs for the Plan, which is currently funded on a pay-as-you-go basis and is a non-contributory plan with all plan payments for plan benefits being funded by the Commission, is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and interest on the net OPEB obligation and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The Commission's annual OPEB cost for the year ended December 31, 2013, and the related information for the plan, are as follows:

January 1, 2013 - Net OPEB Obligation (Initial) (NOO)	\$6,670,092
Annual OPEB Costs (AOC)	1,529,600
Contribution from Commission	(403,980)
December 31, 2013 - Net OPEB Obligation (NOO)	<u>\$7,795,712</u>

The Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for FY2013 were as follows:

Fiscal Year Ended	Annual OPEB Cost (Dollars in Thousands)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$1,370.8	22%	\$5,726,263
2012	1,303.9	28%	6,670,092
2013	1,529.6	26%	7,795,712

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 16: POSTEMPLOYMENT HEALTHCARE PLAN, (continued)

Valuation Date	Actuarial Value of OPEB Assets	Actuarial Accrued Liability - Projected Unit Credit	Unfunded Actuarial Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Liability as a Percentage of Covered Payroll
01/01/07	\$-0-	\$14,972.7	\$14,972.7	0%	\$7,488.8	200%
01/01/10	-0-	14,427.6	14,427.6	0%	7,761.0	189%
01/01/13	-0-	17,759.6	17,759.6	0%	7,192.1	247%

The Present Value of all Projected Benefits is the total present value of all expected future benefits, based on certain actuarial assumptions. The Present Value of all projected benefits is a measure of total liability or obligation. Essentially, the Present Value of all projected benefits is the value (on the valuation date) of the benefits promised to current and future retirees. The Plan's present value of all projected benefits (at January 1, 2013) is \$27,857,900 assuming no prefunding of obligations. The majority of this liability is for current active employees (future retirees).

The Actuarial Accrued Liability is the liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The Plan's Actuarial Accrued Liability (at January 1, 2013) is \$17,759,600 assuming no prefunding of obligations. The majority of this obligation is for active employees.

Normal Cost is the value of benefits expected to be earned during the current year, again based on certain actuarial methods and assumptions. The 2013 Fiscal Year Normal Cost is \$815,700 assuming no prefunding of obligations. In pension accounting, this is also known as "service cost."

Future Normal Costs represent the present value of the remaining balance of all projected benefits to be earned in future years.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 16: POSTEMPLOYMENT HEALTHCARE PLAN, (continued)

Assumptions

The results were calculated based upon plan provisions, as provided by the New Jersey Meadowlands Commission and the State of New Jersey, along with certain demographic and economic assumptions as recommended by Aon, in conjunction with the New Jersey Meadowlands Commission with guidance from the GASBS statement.

Demographic Assumptions

Data was provided by the New Jersey Meadowlands Commission as of January 1, 2013. Demographic assumptions used to project the data are the same as those used to value the SHBP PERS pension liabilities. There is no assumption for future new hires.

Economic Assumptions

The GASBS statement requires that the discount rate used to determine the retiree healthcare liabilities should be estimated long-term yield on the "investments that are expected to be used to finance the payments of benefits". Since the New Jersey Meadowlands Commission does not currently pre-fund the retiree healthcare liabilities, the discount rate for the "no prefunding" scenario should be based on the portfolio of the New Jersey Meadowlands Commission's "general assets" used to pay these benefits. The discount rate assumption selected by the Commission is 4.50%.

The trend assumption is used to project the growth of the expected claims over the lifetime of the healthcare recipients. The GASBS statement does not require a particular source for information to determine healthcare trends, but it does recommend selecting a source that is "publicly available, objective and unbiased".

Aon developed the trend assumption utilizing the short-term rates expected on the SHBP plan along with information in published papers from other industry experts (actuaries, health economists, etc.). For medical benefits, this amount initially is at 8.0% and decreases to a 5.0% long-term trend rate for seven years. For post-65 medical benefits, the trend rate is 5.0%. For prescription drug benefits, the initial trend rate is 8.0%, decreasing to a 5.0% long-term trend rate after seven years. For Medicare Part B reimbursement, the trend rate is 5.0%. This reflects the known underlying cost of the Part B premium.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(continued)

NOTE 17: SUBSEQUENT EVENTS

The Commission has evaluated subsequent events through March 28, 2014, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

NEW JERSEY MEADOWLANDS COMMISSION
 (A Component Unit of the State of New Jersey)
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 Budgetary Basis
 Budgetary Accounting
 Year Ended December 31, 2013

	Original Budget	Budget Transfers/Adjustments	Final Budget	Actual	Variance Actual to Actual
REVENUES:					
Lease Revenue					
Interest Income					
Total Revenues					
EXPENDITURES:					
Construction operations					
Salaries and wages					
Supplies					
Services					
Maintenance and repairs					
Fringe benefits					
Other					
Total construction operations					
Fund Expenditures					
Excess of revenues over expenditures					
Other Financing Uses:					
Operating Transfer Out - General Fund					
Total other financing sources					
Excess of revenues and other financing sources over expenditures and other financing uses					
Fund balance, beginning of year					
Net change in fund balance					
Fund balance, end of year budgetary basis					
Noncurrent liability for compensated absences					
Fund balance, end of year governmental funds basis					

NEW JERSEY MEADOWLANDS COMMISSION
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balances and
 Project Status Budgetary Basis
 Year Ended December 31, 2013

	2013	2012
Revenues and Other Financing Sources		
Interest Income	651	1,847
	651	1,847
Expenditures and Other Financing Uses		
Other Expenditures		480,000
		480,000
Excess (Deficiency) of revenues over (under) expenditures	653	(478,153)
Fund Balance - Beginning	239,228	697,381
Fund Balance - Ending	239,879	219,228

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2013

	TOTAL	Mitigation Trust	Transportation Planning District	Third Party Escrow
ASSETS				
Cash and cash equivalents	6,852,055	3,902,231	874,015	1,875,809
Accounts Receivable	2,344,178		2,344,178	
Due from other funds	202,742	202,742		
Total assets	9,198,975	4,104,973	3,218,193	1,875,809
LIABILITIES				
Accounts payable and accrued liabilities	408,132	112,457	295,675	
Kingsland environmental remediation	1,875,809			1,875,809
Construction deposits	260,464	260,464		
Rutherford post closure security	157,103	157,103		
Security deposit SAJO (ESI)	126,077	126,077		
Contract Retainage	1,174,475	561,821	612,654	
Due to other funds	355,943		355,943	
Total liabilities	4,358,003	1,217,922	1,264,272	1,875,809
NET POSITION				
Net position held in trust	4,840,972	2,887,051	1,953,921	-
Total net position	4,840,972	2,887,051	1,953,921	-

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended December 31, 2013

	TOTAL	Mitigation Trust	Transportation Planning District	Third Party Escrow
ADDITIONS				
Transportation Planning District Fees	427,046		427,046	
Other	106,400	106,400		
Interest	8,690	5,556	3,134	
Grant Revenues	2,344,178		2,344,178	
Blacktrap Escrow	189,306	189,306		
Total additions	3,075,620	301,262	2,774,358	-
DEDUCTIONS				
Mitigation Expenses	188,386	188,386		
Transportation Planning District Fund Expenditures	3,538,868		3,538,868	
	3,727,254	188,386	3,538,868	-
Change in net position	(651,634)	112,876	(764,510)	-
Net position, beginning of the year	5,492,606	2,774,175	2,718,431	-
Net position, end of the year	4,840,972	2,887,051	1,953,921	-

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2013

Budgetary Procedures and Budgetary Accounting

The Commission's General Fund budget is established by its Board of Commissioners. In addition, a budget has been approved for the Environmental Center Fund by the Board of Commissioners. The Commission prepares its budgets on a basis consistent with accounting principles generally accepted in the United States of America except for recognizing the appropriation of prior year fund balance as revenue and recognition of long-term liabilities for compensated absences and changes thereto. Appropriations unexpended at the close of the fiscal year may be carried forward to subsequent years. Expenditures cannot exceed appropriations at the total fund level for the General Fund and Environmental Center Fund, exclusive of amounts expended against prior year revenue allocations.

NEW JERSEY MEADOWLANDS COMMISSION
SCHEDULE OF NET POSITION BY COMPONENT
CALENDAR YEARS 2004 THROUGH 2013

BALANCE SHEET

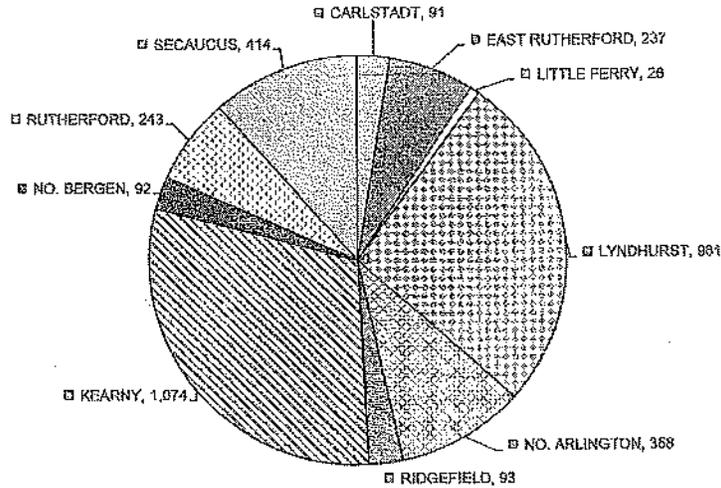
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Assets:										
Current	34,677,895	38,007,550	44,893,142	47,112,535	55,375,989	69,741,986	82,882,517	93,453,865	88,848,612	95,592,485
Non-current	39,816,445	47,923,343	42,352,201	41,041,535	29,880,227	31,173,850	28,971,789	27,391,348	20,294,175	15,001,844
Total assets	74,494,340	85,930,893	87,245,343	88,154,070	85,256,216	100,915,836	111,854,306	120,845,213	109,142,787	110,594,329
Liabilities:										
Current	3,437,744	6,205,214	7,990,980	5,717,524	5,778,467	11,087,478	7,690,723	7,157,698	5,494,558	12,974,116
Non-current	11,851,692	10,690,639	15,465,334	12,394,005	13,260,328	13,255,317	17,431,931	13,957,074	16,993,385	46,637,769
Total Liabilities	15,289,436	16,895,853	23,456,314	18,111,529	19,038,795	24,342,795	25,122,654	21,114,772	22,487,943	59,611,885
Net Position:										
invested in capital assets										
net of related debt	34,474,876	42,205,861	42,352,201	41,041,035	29,890,227	31,173,330	29,671,789	22,591,348	20,294,175	16,001,944
Restricted	23,160,216	19,574,385	17,082,453	21,194,124	26,107,188	38,794,169	57,021,102	43,412,939	57,672,127	5,264,426
Unrestricted	1,778,717	2,984,987	4,308,876	7,289,882	5,288,906	8,684,034	10,639,301	28,026,176	5,488,464	31,129,162
Total net position	63,404,807	64,745,243	63,751,529	69,472,941	66,287,401	76,641,523	95,432,192	95,339,493	84,984,766	51,395,569

**NEW JERSEY MEADOWLANDS COMMISSION
SCHEDULE OF CHANGES IN NET POSITION
CALENDAR YEARS 2004 THROUGH 2013**

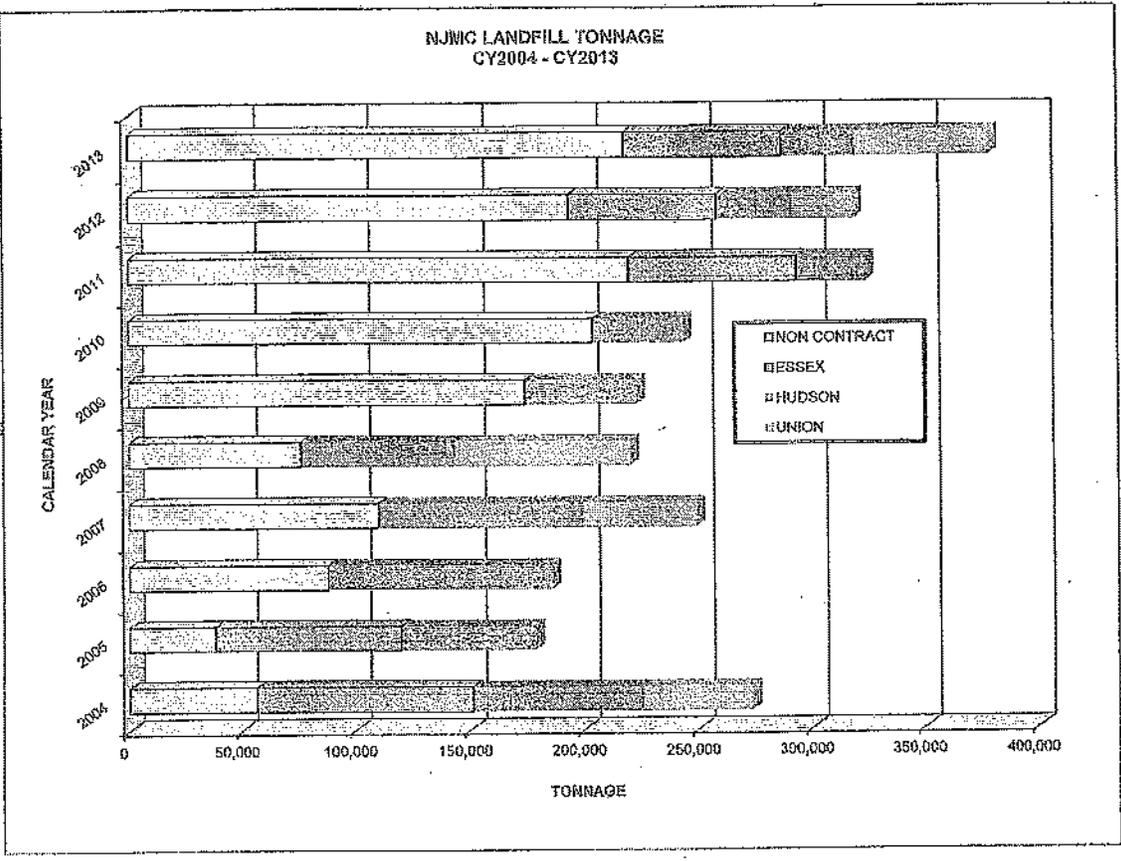
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
GOVERNMENTAL FUNDS										
Statement of Revenues and Expenditures										
Revenues	13,259,119	11,467,502	15,644,407	12,982,533	13,808,676	13,913,294	18,073,173	26,365,558	45,048,336	16,878,721
Expenditures	11,679,408	13,293,818	21,758,850	19,673,836	18,840,674	35,623,978	26,329,848	18,373,602	19,343,461	16,003,261
Excess of revenues over expend.	1,579,714	(1,786,316)	(6,112,443)	(6,691,303)	(5,031,998)	(21,710,684)	(8,256,675)	7,991,956	26,705,055	2,875,470
Fund balance - beginning of year	13,129,678	14,966,190	20,978,635	27,009,738	32,521,735	54,233,349	82,181,124	64,207,656	26,502,810	25,627,140
Fund balance - end of year	14,469,500	13,129,876	14,866,190	20,318,435	27,489,737	32,512,667	53,924,449	82,199,721	54,207,865	26,502,610
SOLID WASTE OPERATIONS										
Operating Revenues	26,412,560	22,187,838	21,249,104	15,834,858	15,948,160	23,837,804	27,644,999	19,612,917	21,971,692	24,719,295
Operating Expenses	28,050,386	25,546,934	22,732,687	17,977,075	16,266,024	25,478,291	21,577,979	20,714,569	24,819,968	23,559,551
Income from Operations	1,361,894	(3,378,338)	(1,483,493)	(2,042,117)	(2,310,334)	(1,940,492)	3,997,010	(1,102,241)	(2,848,276)	(107,256)
Non-operating revenues	291,272	3,578,277	2,917,999	1,843,096	197,416	1,571,009	1,844,917	4,765,780	10,984,651	367,428
Non-operating expense			0	0	487,229	(863,374)	0	3,649,633	2,092,177	0
Change in net position	1,653,166	198,939	(1,434,097)	(400,021)	(2,671,336)	(394,688)	4,811,927	7,966	4,397,968	249,172
Net Position - beginning of year	18,399,249	18,191,330	19,627,233	15,793,836	18,374,878	17,880,205	13,968,278	13,369,413	8,932,418	6,722,243
Net Position - end of year	19,653,415	18,390,249	18,191,330	15,393,815	15,703,535	18,374,873	17,880,205	13,369,413	13,330,413	6,962,415
STATEMENT OF ACTIVITIES (GOVT)										
Revenues	13,259,119	11,467,502	15,644,407	29,247,533	13,463,610	19,919,283	18,073,173	18,916,957	41,048,636	17,916,676
Expenses	20,282,721	13,788,434	21,077,697	25,862,273	21,084,893	34,487,330	21,874,779	16,896,683	12,174,323	14,236,291
Change in net position	(6,993,602)	(2,280,932)	(5,433,290)	(6,614,740)	(7,621,283)	(20,574,027)	(3,601,606)	1,820,274	28,874,213	3,680,374
Net position - beginning of year	48,444,994	49,735,828	54,169,128	60,683,868	58,173,716	78,749,887	81,052,687	80,333,311	42,429,140	38,639,768
Net position - end of year	39,451,392	48,444,994	48,735,828	51,559,128	50,552,433	58,165,860	78,451,081	81,952,160	71,284,353	42,429,140
ALL OPERATIONS										
Revenues	40,084,828	37,339,903	39,811,191	49,899,298	27,649,818	47,290,843	47,263,079	39,237,980	79,098,602	41,883,298
Expenses	46,406,064	39,422,918	43,810,284	43,659,048	37,812,399	67,430,312	48,162,763	37,691,241	56,284,291	39,052,762
Change in net position	(6,340,436)	(2,082,915)	(3,999,093)	(3,759,750)	(10,162,581)	(20,179,369)	(8,929,684)	(8,453,261)	(7,185,689)	(7,169,464)
Net position - beginning of year	64,746,243	65,837,297	70,836,349	69,207,401	79,370,082	99,549,451	95,321,767	93,893,724	51,382,566	47,592,009
Net position - end of year	59,405,807	64,746,243	66,837,256	65,447,651	69,207,501	79,370,082	86,392,083	85,440,463	44,196,877	40,422,545

* Restated for inclusion of infrastructure assets and prior period restatements.

**NJMC PROPERTY ACQUISITION
TOTAL ACREAGE BY MUNICIPALITY
(source: MERI - GIS)**



Total Land Acreage: 3,589 acres
(as of 12/31/2013)



-63-

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
 FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
 BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
 ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Commissioners
 New Jersey Meadowlands Commission.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Jersey Meadowlands Commission (the Commission) (A Component Unit of the State of New Jersey) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the New Jersey Meadowland's basic financial statements, and have issued our report thereon dated March 28, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the New Jersey Meadowlands Commission's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the New Jersey Meadowlands Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the New Jersey Meadowlands Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect, and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



The Board of Commissioners
New Jersey Meadowlands Commission
Page 2.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We did identify one immaterial deficiency in internal control that we have reported to management of the New Jersey Meadowlands Commission in the accompanying other comments and recommendations section of this report.

Compliance and Other Matters

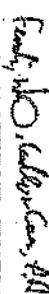
As part of obtaining reasonable assurance about whether the New Jersey Meadowlands Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted one immaterial instance of noncompliance that we have reported to the management of the New Jersey Meadowlands Commission in the accompanying other comments and recommendations section of this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the New Jersey Meadowlands Commission internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the New Jersey Meadowlands Commission internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.


Steven D. Wielkoff, C.P.A.
Registered Municipal Accountant
No. CR000413


FERRARIONI, WIELKOFF, CERULLO & COVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

March 28, 2014

-65-



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE AS REQUIRED BY
OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

The Board of Commissioners
New Jersey Meadowlands Commission

Report on Compliance for Each Major Federal and State Program

We have audited the New Jersey Meadowlands Commission (the Commission) (A Component Unit of the State of New Jersey) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2013. The New Jersey Meadowlands Commission's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the New Jersey Meadowlands Commission's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; and the provisions of the New Jersey State Treasury Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Those standards and OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance

-66-



about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the New Jersey Meadowlands Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination on the New Jersey Meadowlands Commission's compliances.

Opinion on Each Major Federal and State Program

In our opinion, the New Jersey Meadowlands Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of the New Jersey Meadowlands Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the New Jersey Meadowlands Commission's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal and state program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the New Jersey Meadowlands Commission's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.


Steven D. Wielkowitz, C.P.A.
Registered Municipal Accountant
No. CR00413


FERRAIOLA WIELKOWITZ CERULLO & CIUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

March 28, 2014



NEW JERSEY MEADOWLANDS COMMISSION

Schedule of Expenditures of Federal Awards

Year ended December 31, 2013

Name of Federal Agency or Department	Federal Program	Q.F.R.A. Account Number	Grant Period		Total Grant Amount	Balance at Dec. 31, 2012	Cash Received	Expenditures	Adjustments	Deferred Revenues (Accounts Receivable) Dec. 31, 2013	NHMCO Cumulative Total Expenditures
			From	To							
US Environmental Protection Agency											
Study Fund:											
	Wetlands Protection State Development Urban Tidal Wetlands Restoration	64-491	10/01/03	09/30/04	124,000						50,407
	Measurement of Tidal Wetlands Impairment For Acquisition and Enhancement	64-491	10/01/13	09/30/15	234,000			11,687		(11,687)	11,687
	Polluter Prevention Grant (Green Revenues Initiative)	64-303	3/4/13	09/30/14	62,000		16,890	41,600		(13,370)	41,667
	Environmental Information Exchange Network Urban Program and Related Activities	66-600	09/01/04	09/30/06	343,700						379,673
Total US Environmental Protection Agency							26,099	53,287		(25,057)	483,447
Federal Highway Administration											
	MASTTR Grant	20-393	07/01/11	03/31/13	10,000,000	(2,395,463)	2,921,199	2,512,547		(3,386,806)	6,108,905
Total Federal Highway Administration						(2,395,463)	2,921,199	2,512,547		(3,386,806)	6,108,905
Total Federal Financial Assistance						(2,395,463)	2,947,298	2,845,834		(3,711,863)	6,591,452

-63-

NEW JERSEY MEADOWLANDS COMMISSION

Schedule of Expenditures of State Awards

Year ended December 31, 2013

Name of State Agency or Department	State Program	State Program / Account No.	Grant Period		Grant Amount	Balance at Dec. 31, 2012	Cash Received	Expenditures	Adjustments	Deferred Revenues (Accounts Receivable) Dec. 31, 2013	NHMCO Cumulative Total Expenditures
			From	To							
Hogans County Audubon Society											
	Harrier Meadow - Atlantic Flyway native plant project		11/15/12	06/30/13	\$ 1,300		1,500	1,397		103	1,397
Total Local Financial Assistance							1,500	1,397		103	1,397
Total State/Local Financial Assistance							\$ 1,500	1,397		103	1,397

Note: This Schedule was not subject to an audit in accordance with N.J. OMB Circular 04-03.

-64-

NEW JERSEY MEADOWLANDS COMMISSION
 (A Component Unit of the State of New Jersey)
 NOTES TO THE SCHEDULES OF EXPENDITURES
 OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2013

NEW JERSEY MEADOWLANDS COMMISSION
 (A Component Unit of the State of New Jersey)
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2013
 Section I - Summary of Auditor's Results

NOTE 1. GENERAL

The accompanying schedules of expenditures of awards present the activity of all federal financial assistance programs of the New Jersey Meadowlands Commission. The Commission is defined in Note 1A: Summary of Significant Accounting Policies, Reporting Entity, of the Commission's financial statements. All federal financial assistance received directly from federal financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards.

NOTE 2. RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Commission's financial statements.

Financial Statements	Unmodified	
Type of auditor's report issued:		
Internal control over financial reporting:		
1. Significant deficiencies identified that are not considered to be material weaknesses?	yes	<input checked="" type="checkbox"/> none reported
2. Material weakness(es) identified?	yes	<input checked="" type="checkbox"/> no
Noncompliance material to financial statements noted?	yes	<input checked="" type="checkbox"/> no
Federal Awards Section		
Dollar threshold used to distinguish between type A and type B programs:	\$ 300,000	
Auditor qualified as low-risk auditor?	yes	<input checked="" type="checkbox"/> no
Type of auditors' report on compliance for major programs:	unmodified	
Internal Control over compliance:		
1. Significant deficiencies identified that are not considered to be material weaknesses?	yes	<input checked="" type="checkbox"/> none reported
2. Material weakness(es) identified?	yes	<input checked="" type="checkbox"/> no
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-135, as amended?	yes	<input checked="" type="checkbox"/> no
Identification of major programs:		
CFDA Number	Name of Federal Program	
20.933	MASSIE Grant	

State Awards Section

Not Applicable

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(continued)

Section II - Schedule of Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general-purpose financial statements that are required to be reported in accordance with Chapter 5:18 of "General Auditing Standards".

NONE

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(continued)

Section III - Federal Financial Assistance Findings and Questioned Costs

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of federal programs, as required by OMB Circular A-133, as amended.

NONE

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

OTHER COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2013

OTHER COMMENTS

Requests for grant reimbursements are not being filed in a timely manner which may create a shortage of funds available for the program.

RECOMMENDATIONS

That requests be submitted as soon as all required documentation is available.

Acknowledgment

We received the complete cooperation of all of the officials of the Commission and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,


Steven D. Wiselkottz
Registered Municipal Accountant
No. CR000413


FERRAIOLI, WISELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

March 28, 2014

**RESOLUTION ISSUING A DECISION ON THE VARIANCE APPLICATION
SUBMITTED AS PART OF FILE NO. 13-642
BRAR REALTY/DUNKIN DONUTS - ADDITION/SIGNAGE - VARIANCES,
758 PATERSON PLANK ROAD, BLOCK 105.02, LOT 2,
IN THE BOROUGH OF EAST RUTHERFORD, NEW JERSEY**

WHEREAS, an application for four bulk variances was filed with the New Jersey Meadowlands Commission (NJMC) by James H. Cleary, Esq. of Cleary Reid, LLC, on behalf of Meadowlands Convenience Mart, LLC, for the premises located at 758 Paterson Plank Road, Block 105.02, Lot 2, in the Borough of East Rutherford, Bergen County, New Jersey, located in the Commercial Gateway Center of the Commission's Paterson Plank Road Redevelopment Area; and

WHEREAS, the variance is sought in connection with the applicant's proposal to construct a 250-square-foot addition to the existing building on the site with associated site improvements, and the installation of a total sign area of 114.57 square feet; and

WHEREAS, the applicant requested bulk variance relief from the bulk requirement listed in Section IV.C of the Paterson Plank Road Redevelopment Plan, which requires a minimum side yard setback of 15 feet on any one side within the Commercial Gateway Center, to construct a 250-square-foot building addition with a minimum easterly side yard setback of 5.7 feet; and

WHEREAS, the applicant requested variance relief from the bulk requirement listed in Section IV.C of the Paterson Plank Road Redevelopment Plan, which requires a minimum rear yard setback of 20 feet within the Commercial Gateway Center, to construct a 250-square-foot building addition with a minimum southerly rear yard setback of 15.1 feet; and

WHEREAS, the applicant requested variance relief from the bulk requirement listed in Section IV.C of the Paterson Plank Road Redevelopment Plan, which requires a minimum front yard parking setback of 25 feet within the Commercial Gateway Center, to install one parking space with a minimum setback of 20.1 feet in the northerly front yard; and

WHEREAS, the applicant requested variance relief from N.J.A.C. 19:4-8.14(i)4, which requires the total sign area permitted for a multi-tenanted structure to not exceed five percent of the building's main façade area, to permit the installation of a total sign area of 114.57 square feet, which is 13.42 percent of the building's main façade; and

WHEREAS, notice of the requested variance relief was given to the public and all interested parties as required by law and was published in The Record newspaper; and

WHEREAS, a public hearing was held in the Office of the NJMC on February 11, 2014, before Sara Sundell, P.E., P.P., Director of Land Use Management and Chief Engineer, Sharon Mascaró, P.E., Deputy Director of Land Use Management and Deputy Chief Engineer, Mia Petrou, P.P., AICP, Senior Planner, and Elizabeth Kenyon, P.E., Senior Engineer; and

WHEREAS, a comprehensive report dated April 4, 2014, has been prepared indicating the recommendations of the Director of Land Use Management and the Executive Director in this matter; and

WHEREAS, a copy of the recommendation and comprehensive report was provided to the applicant on April 7, 2014; and

WHEREAS, the report recommends the approval of the bulk variance request to construct a 250-square-foot addition with a minimum easterly side yard setback of 5.7 feet; and

WHEREAS, the report recommends the approval of the bulk variance request to construct a 250-square-foot addition with a minimum southerly rear yard setback of 15.1 feet; and

WHEREAS, the report recommends the approval of the bulk variance request to install one parking stall providing a minimum front yard parking setback of 20.1 feet along the northerly front yard; and

WHEREAS, the report recommends the conditional approval of the bulk variance request to install signage totaling more than five percent of the building's main façade area; and

WHEREAS, the members of the NJMC have reviewed the full record, including the transcripts of the public hearings, recommendations on the application by the Director of Land Use Management and by the Executive Director, and the submissions of the applicant; and

WHEREAS, the members of the NJMC concur with the recommendation of the Director of Land Use Management and the Executive Director; and

WHEREAS, the NJMC hereby determines that the requested bulk variance to construct a 250-square-foot addition with a minimum easterly side

yard setback of 5.7 feet conforms with the standards for approving applications for variances as set forth in N.J.A.C. 19:4-4.14(e); and

WHEREAS, the NJMC hereby determines that the requested bulk variance to construct a 250-square-foot addition with a minimum southerly rear yard setback of 15.1 feet conforms with the standards for approving applications for variances as set forth in N.J.A.C. 19:4-4.14(e); and

WHEREAS, the NJMC hereby determines that the requested bulk variance to install one parking stall providing a minimum front yard setback of 20.1 feet along the northerly front yard, conforms with the standards for approving applications for variances as set forth in N.J.A.C. 19:4-4.14(e); and

WHEREAS, the NJMC hereby determines that the requested bulk variance to install signage totaling more than five percent of the building's main façade area, conditionally conforms with the standards for approving applications for variances as set forth in N.J.A.C. 19:4-4.14(e).

NOW, THEREFORE, BE IT RESOLVED, by the New Jersey Meadowlands Commission, that the Brar Realty/Dunkin Donuts - Addition/Signage - Variances application for one bulk variance request to construct a 250 square foot addition with a minimum easterly side yard setback of 5.7 feet, is hereby **APPROVED** for the reasons set forth in the recommendation dated April 4, 2014.

BE IT FURTHER RESOLVED, by the New Jersey Meadowlands Commission, that the Brar Realty/Dunkin Donuts - Addition/Signage - Variances application for one bulk variance request to construct a 250-square-foot addition providing a minimum southerly rear yard setback of 15.1 feet, is hereby **APPROVED** for the reasons set forth in the recommendation dated April 4, 2014.

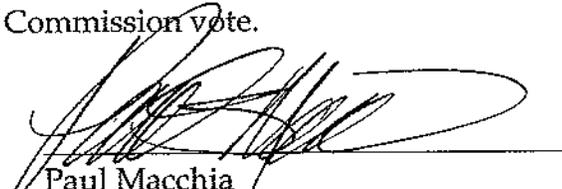
BE IT FURTHER RESOLVED, by the New Jersey Meadowlands Commission, that the Brar Realty/Dunkin Donuts - Addition/Signage - Variances application for one bulk variance request to install one parking stall with a minimum setback of 20.1 feet in the northerly front yard, is hereby **APPROVED** for the reasons set forth in the recommendation dated April 4, 2014.

BE IT FURTHER RESOLVED, by the New Jersey Meadowlands Commission, that the Brar Realty/Dunkin Donuts - Addition/Signage - Variances application for one bulk variance request to install signage totaling more than five percent of the building's main façade area, is hereby **APPROVED**

WITH THE FOLLOWING CONDITIONS, for the reasons set forth in the recommendation dated April 4, 2014.

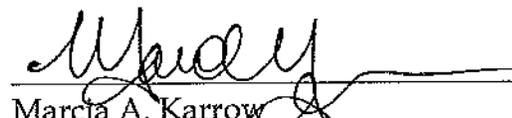
1. The proposed sign on the westerly elevation, inclusive of all lettering and graphic elements, shall not exceed a maximum sign area of 26.2 square feet.
2. The total sign area at the premises shall not exceed 9.5 percent of the main façade area.
3. The proposed façade improvements, including, but not limited to, wall color, canopies, and signage, shall provide for a cohesive design scheme at the premises, as approved by the Chief Engineer.

The foregoing was adopted on Commission vote.



Paul Macchia
Acting Chairman

I hereby certify the foregoing to be a true copy of the Resolution adopted by the New Jersey Meadowlands Commission at its meeting of April 23, 2014.



Marcia A. Karrow
Secretary

Resolution No. 14-15

Memorandum

New Jersey Meadowlands Commission



To: NJMC Commissioners and Marcia Karrow, Executive Director

From: Sara J. Sundell

Date: April 23, 2014

Subject: Variance Recommendation: Brar Realty/Dunkin Donuts - Addition/Signage -
Variances (File No. 13-642)

An application for four bulk variances was filed with the New Jersey Meadowlands Commission (NJMC) by James H. Cleary, Esq. of Cleary Reid, LLC, on behalf of Meadowlands Convenience Mart, LLC, for the premises located at 758 Paterson Plank Road, Block 105.02, Lot 2, in the Borough of East Rutherford, Bergen County, New Jersey. Said premises are located in the Commercial Gateway Center of the Commission's Paterson Plank Road Redevelopment Area. The Paterson Plank Road Redevelopment Plan was last amended on December 19, 2012. The bulk variances are sought in connection with the applicant's proposal to construct a 250-square-foot addition to the existing building on the site with associated site improvements, and the installation of a total sign area of 114.57 square feet.

Specifically, the applicant requested variance relief from the following:

1. Bulk Requirement listed in Section IV.C of the Paterson Plank Road Redevelopment Plan, which requires a minimum side yard setback of 15 feet on any one side within the Commercial Gateway Center. The applicant is proposing to construct an addition that will provide a minimum side yard setback of 5.7 feet along the easterly side yard.
2. Bulk Requirement listed in Section IV.C of the Paterson Plank Road Redevelopment Plan, which requires a minimum rear yard setback of 20 feet within the Commercial Gateway Center. The applicant is proposing to construct an addition that will provide a rear yard setback of 15.1 feet along the southerly rear property line.
3. Bulk Requirement listed in Section IV.C of the Paterson Plank Road Redevelopment Plan, which requires a minimum front yard parking setback of 25 feet within the Commercial Gateway Center. The applicant is proposing an additional parking space that will result in a front yard parking setback of 20.1 feet.
4. N.J.A.C. 19:4-8.14(i)4 requires that the total sign area permitted for a multi-tenanted structure shall not exceed five percent of the building's

main façade area. A total sign area of 114.57 square feet is proposed at the premises, which is 13.42 percent of the building's main façade.

A public hearing on this matter was held in the Office of the NJMC on February 11, 2014.

In a comprehensive report dated April 4, 2014, the Director of Land Use Management and the Executive Director recommended the approval of the bulk variance requests listed in items 1 through 3 above, and the conditional approval of the bulk variance request listed in item 4 above.

A copy of the comprehensive report and variance recommendation was provided to the applicant on April 7, 2014.

At this time, the Commission is required to issue a decision on the variance application described above. A resolution requesting the same is attached for your consideration.

RECOMMENDATION ON THE VARIANCE APPLICATION OF

Brw Realty/Dunith Donuts - Addition/Signage - Variances

FILE # 13-642

I INTRODUCTION

An application for four bulk variances has been filed with the New Jersey Meadowlands Commission (NJMC) by James H. Cleary, Esq. of Cleary Reid, LLC, on behalf of Meadowlands Convenience Mart, LLC, for the premises identified as 758 Paterson Plank Road, Block 105.02, Lot 2, in the Borough of East Rutherford, Bergen County, New Jersey. Said premises are located in the Commercial Gateway Center within the Commission's Paterson Plank Road Redevelopment Area. The Paterson Plank Road Redevelopment Plan was last amended on December 19, 2012. The variances are sought in connection with the applicant's proposal to construct a 250-square-foot addition to the existing building on the subject site with associated site improvements, and the installation of 95.07 square feet of additional signage resulting in a total sign area of 114.57 square feet.

Specifically, the applicant is requesting variance relief from the following:

1. Bulk Requirement listed in Section IV.C. of the Paterson Plank Road Redevelopment Plan, which requires a minimum side yard setback of 15 feet on any one side within the Commercial Gateway Center. The applicant is proposing to construct an addition that will provide a minimum side yard setback of 5.7 feet along the easterly side yard.
2. Bulk Requirement listed in Section IV.C. of the Paterson Plank Road Redevelopment Plan, which requires a minimum rear yard setback of 20 feet within the Commercial Gateway Center. The applicant is proposing to construct an addition that will provide a rear yard setback of 15.1 feet along the southerly rear property line.

3. Bulk Requirement listed in Section IV.C. of the Paterson Plank Road Redevelopment Plan, which requires a minimum front yard parking setback of 25 feet within the Commercial Gateway Center zone. The applicant is proposing an additional parking space that will result in a front yard parking setback of 20.1 feet.

4. N.J.A.C. 19:4-8.14(i)4 requires that the total sign area permitted for a multi-storied structure shall not exceed five percent of the building's main facade area. A 35.43-square foot wall identification sign and a 59.64-square foot wall identification sign are proposed in addition to an existing 19.5-square foot wall identification sign that will remain, resulting in a total sign area of 114.57 square feet, which is 13.42 percent of the building's main facade.

Notice was given to the public and all interested parties as required by law. The public notice was published in The Record newspaper. No written objections were submitted to the Division of Land Use Management. A public hearing was held in the Office of the Commission on Tuesday, February 11, 2014. All information submitted to the Division of Land Use Management relative to this application is made part of the record of this recommendation.

II. GENERAL INFORMATION

A. Existing and Proposed Use

The subject premises is a 0.50-acre lot containing a fuel service station with two fueling islands and a 1,386-square-foot, single-story retail building utilized as a convenience store. The property is located in the Commercial Gateway Center within the Commission's Paterson Plank Road Redevelopment Area and contains frontage on Paterson Plank Road (New Jersey State Route No. 120), a four-lane divided roadway which also contains the municipal boundary line with Carlstadt. The site is bordered to the north by industrial and commercial uses across Paterson

Plank Road, to the east by an auto sales lot, and to the south and west by a lot containing three warehouse/office buildings with related paved areas. The remainder of the area contains a mix of commercial and industrial properties.

The applicant is proposing a 250-square-foot addition to the existing retail building to provide additional storage area, including refrigerator and freezer space, to accommodate the conversion of a portion of the existing retail space to a Dunkin' Donuts restaurant franchise. The applicant is also proposing renovations to the existing building to provide a more efficient interior layout for use by the convenience store and Dunkin' Donuts, as well as exterior facade improvements. An existing refuse area will remain in its current location to the south of the building. Proposed site improvements include the installation of an ADA-compliant entrance ramp, bollards, striping of parking stalls, and the installation of two new wall signs for Dunkin' Donuts.

B. Response to the Public Notice

No written comments or objections were received during the public comment period.

III. PUBLIC HEARING (February 11, 2014)

A public hearing was held on Tuesday, February 11, 2014. NJMC staff in attendance were Sara Sundell, P.E., P.P., Director of Land Use Management and Chief Engineer; Sharon Mascaro, P.E., Deputy Director of Land Use Management and Deputy Chief Engineer; Mia Petrou, P.P., AICP, Senior Planner; and Elizabeth Kenyon, P.E., Senior Engineer.

A. Exhibits

The following is a list of the exhibits submitted at the public hearing and marked for identification as follows:

Number	Description
A-1	Photograph of Northerly Building Facade, dated February 11, 2014.
A-2	Photograph of Westerly Building Facade, dated February 11, 2014.
A-3	Existing/Proposed Site Plan, Details, Key Map & Zoning Data," Drawing No. SP1, prepared by gk+a Architects, P.C., dated August 26, 2013, revised through December 6, 2013.
A-4	"Exterior & Proposed Floor Plans, Sign Details & Data," Drawing No. SP2, prepared by gk+a Architects, P.C., dated August 26, 2013, revised through December 6, 2013.
A-5	"Proposed Elevations," Drawing No. SP3, prepared by gk+a Architects, P.C., dated August 26, 2013, revised through December 6, 2013.

B. Testimony

The applicant was represented at the hearing by James H. Cleary, Esq. The following witnesses testified in support of the application:

1. Oliver Young, A.I.A., gk+a Architects, P.C.;
2. Wael Kiongnji, Dunkin' Donuts Franchisee; and
3. Arnaajeet Brar, Brar Realty.

Staff findings and recommendations are based on the entire record. A transcript of the public hearing was prepared and transcribed by Susan Bischoff, Certified Court Reporter.

IV. RECOMMENDATION

A. Standards for the Granting of a Bulk Variance from the Provisions of the Bulk Requirement listed in Section IV.C of the Paterson Plank Road Redevelopment Plan, which requires a minimum side yard setback of 15 feet on any one side within the Commercial Gateway

Center. The applicant is proposing to construct an addition that will provide a minimum side yard setback of 5.7 feet along the easterly side yard.

The NJMC Zoning Regulations at NJAC Section 19-4-4.14(e) state in part that, a variance shall not be granted unless specific written findings of fact directly based upon the particular evidence presented are made that support conclusions that...

1. Concerning bulk variances:

i. *The variance requested arises from such condition that is unique to the property in question, is not ordinarily found in the same zone, and is not created by any action of the property owner or the applicant.*

The subject property is currently improved with a fuel service station that has two fueling islands, a 1,586-square-foot, single-story retail building located in the southeasterly portion of the lot, and associated paved areas. The subject property, having a lot area of 0.50 acre, is undersized in relation to the minimum two-acre lot area requirement of the Commercial Gateway Center. The applicant proposes to construct a 250-square-foot addition in the easterly side yard to provide additional storage space to accommodate the conversion of a portion of the existing retail facility to a restaurant use, proposed as a Dunkin' Donuts franchise. Additionally, the property is irregularly-shaped, due to a lot depth that varies approximately 20 percent between the westerly and easterly lot lines, and the resulting skew of the northerly lot line. The existing building is located proximate to the easterly lot line in the deeper portion of the lot.

The proposed addition will provide a minimum easterly side yard setback of 5.7 feet, whereas a minimum side yard setback of 15 feet on any one side is required by the bulk requirements for the Commercial Gateway Center within the Paterson Plank Road Redevelopment Plan.

The existing building is currently within 2.7 feet of the easterly lot line, which is a preexisting non-conformity. The proposed setback of 5.7 feet is three feet greater than this existing non-conforming setback. The configuration of the existing parking and paved areas to the north and west of the existing building footprint on the subject property leaves the easterly yard as the most appropriate location for a building addition. However, the ability to comply with the applicable side yard setback requirement is affected by the existing building's location within the side yard setback.

This combination of conditions related to the size and configuration of the property, and the location of the existing building on the undersized lot, impact the site in a unique manner, and represent challenges in providing for a functional building addition that avoids impacts to the parking and circulation areas associated with the existing uses on the site. These conditions are not ordinarily found in the Commercial Gateway Center within the Paterson Plank Road Redevelopment Area and were not created by any action of the property owner.

ii. *The granting of the variance will not adversely affect the rights of neighboring property owners or residents.*

The granting of the requested bulk variance to construct a building addition with a minimum setback of 5.7 feet from the easterly property line, whereas a minimum 15-foot side yard setback is required, will not adversely affect the rights of neighboring property owners or residents. The neighborhood in which the subject property is located is primarily industrial and commercial in nature, and there are no residents nearby.

The proposed improvements will not create any negative visual impacts to neighboring properties or impede their ability to function as intended. The proposed setback of 5.7 feet, three feet greater than the existing building's preexisting nonconforming setback of 2.7 feet, is located to the rear of the existing building, and is required to accommodate the proposed refrigerator and freezer storage areas in a functional manner. The height of the addition is 8.5 feet, which is approximately 6.8 feet lower than the existing building's height of 15.3 feet.

The neighboring property to the east, identified as Block 105.02, Lot 3, would be the neighbor most impacted by the proposed addition. The conditions on the adjoining property most proximate to the area of the proposed addition consist of open space and paved area. The building on the adjoining property is located approximately 100 feet away from the proposed addition, resulting in the provision of adequate air and light between structures. Additionally, the location of the proposed addition will serve to

further screen the view of existing site operations and refuse collection from the adjacent property owner to the east.

iii. *The strict application of the regulations will result in peculiar and exceptional practical difficulties to, or exceptional and undue hardship upon, the property owner.*

The strict application of the regulations that would require a minimum side yard setback of 15 feet along the easterly property line, whereas 5.7 feet is proposed, will result in peculiar and exceptional practical difficulties to, or exceptional and undue hardship upon, the property owner. The subject property is an irregularly-shaped and undersized lot, having a lot area four times smaller than the minimum two acre requirement of the zone. The property's existing developed conditions present challenges in providing a conforming setback that relates the functionality of the addition to the existing building configuration, while avoiding impacts to the site's parking and circulation areas.

The proposed addition, with a side yard setback of 5.7 feet, will provide an extra three feet of distance from the easterly property line in relation to the existing building's nonconforming setback of 2.7 feet. Alternative locations to construct the proposed addition are limited for several reasons, including the impracticability of constructing storage areas consisting of refrigeration and freezer space on a second floor. An existing rear door proposed to remain for deliveries to the facility would be blocked by an alternative compliant location. Furthermore, existing paved areas utilized for parking and site circulation are present to the north and west of the

existing building, and are integral to the site's operations as a fuel service station with convenience store. Therefore, shifting the location of the proposed addition 9.3 feet to the west to provide a compliant side yard setback would conflict with existing loading and parking areas and drive aisles.

Finally, reducing the size of the proposed addition to comply with the side yard setback regulations, and to avoid impacts to the site's parking and circulation areas, would reduce the footprint of the proposed addition by nearly 63 percent, rendering it infeasible. The existing lot coverage at the premises, inclusive of all buildings and canopies, is 13.97 percent, whereas up to 60 percent lot coverage is permitted in the zone. The existing area of the building at the premises represents 7.2 percent lot coverage, and the proposed 250-square-foot addition would increase the site's existing lot coverage by only 1.1 percent.

In balancing the requirements of the Commercial Gateway Center of the Paterson Plank Road Redevelopment Plan with the particular characteristics of the property, the proposed variance is required to provide a functional building and site configuration.

ix. The variance will not result in substantial detriment to the public good and will not adversely affect the public health, safety, morals, order, convenience, prosperity or general welfare.

There will be no substantial detriment to the public good and no adverse impacts to the public health, safety, morals, order, convenience, prosperity or general welfare by the granting of the

requested variance. The proposed addition is to be located approximately 100 feet to the west of the existing structure on the neighboring property to the east. The location of the proposed addition is set back three feet greater than the existing building line, and the proposed addition is approximately 6.8 feet lower in height than the existing building.

There will be no changes to the current on-site vehicle circulation pattern. Access to the site from Paterson Plank Road is via an entrance-only driveway on the western side of the property, and an exit-only driveway on the eastern side of the property. The proposed placement of the addition in the side yard as proposed avoids potential public safety impacts that a compliant building addition placed in areas currently used for on-site parking and circulation could engender.

In addition, excess noise, odor, vibration, or glare will not be generated as a result of the proposed building addition.

Therefore, the placement of the building addition within the easterly side yard, as proposed, will have no adverse impact on public safety or health, as adequate light, air, and open space will continue to be supplied.

x. The variance will not have a substantial adverse environmental impact.

The granting of the requested variance will not have any adverse environmental impacts. The location of the proposed building addition in relation to the easterly side yard will not cause the

NJMC's performance standards regarding noise, vibrations, airborne emissions, hazardous materials, glare or water quality to be exceeded. No environmentally sensitive areas will be disturbed. The improved site will provide 15 percent open space, in compliance with the minimum open space requirements of the Commercial Gateway Center zone of the Paterson Plank Road Redevelopment Plan. Additionally, a drainage pattern similar to existing conditions will be maintained.

vi. *The variance represents the minimum deviation from the regulations that will afford relief.*

The granting of the requested variance to construct a 250-square-foot building addition with a minimum side yard setback of 5.7 feet represents the minimum deviation from the NJMC regulations that will afford relief. The proposed setback of 5.7 feet is greater than the existing non-conforming setback of 2.7 feet, and the proposed building addition height is approximately 6.8 feet lower than the existing building height.

Due to the particular characteristics of the property, including its irregular shape, the undersized lot area, and the layout and configuration of the existing building and other improvements on the site, the proposed addition could not be constructed in a feasible, functional manner if the required minimum 15-foot side yard setback was applied.

The total proposed lot coverage of 15.1 percent is in substantial compliance with the zone's required maximum lot coverage of 60

percent. The area of the proposed addition represents a minor 1.1 percent increase in the site's existing lot coverage. The improved site will provide 15 percent open space, in compliance with the minimum open space requirements. Compliance with the lot coverage and open space requirements, particularly on an undersized property, signifies that the property will not be overdeveloped.

The proposed variance represents a reasonable balance between the requirements of the redevelopment plan and their application to the particular characteristics of the property in question.

vii. *Granting the variance will not substantially impair the intent and purpose of these regulations.*

The granting of the requested variance will not impair the intent and purpose of the regulations. Specific purposes of the NJMC regulations include providing sufficient space in appropriate locations for a variety of uses, and ensuring that such uses are suitably sited and placed in order to relate buildings and uses to each other and to the environment so that aesthetic and use values are maximized. The purpose of the Commercial Gateway Center zone of the Paterson Plank Road Redevelopment Plan is "to serve as a gateway to both the Paterson Plank Road corridor and the NJSEA Sports Complex. The recommended land uses for this area will provide for a continuation of commercial, retail, and light industrial uses." As the proposed variance will allow for the renovation of an existing accessory retail facility, with a small expansion in floor area to accommodate the storage requirements

of a proposed user, it will promote orderly and comprehensive development in accordance with good planning principles that relates the type, design and layout of such development to both the particular site and surrounding environment.

The placement of the building addition efficiently balances the zoning requirements for the Commercial Gateway Center within the Paterson Plank Road Redevelopment Plan with the specific characteristics of the site, as detailed above. Therefore, the proposed variance would not substantially impair the intent and purpose of the NJMC zoning regulations. Further, the granting of the requested variance will contribute to and promote this intent by allowing the site to be developed and utilized in a safe, orderly, and efficient manner.

B. Standards for the Granting of a Bulk Variance from the Provisions of the Bulk Requirement listed in Section IV.C of the Paterson Plank Road Redevelopment Plan, which requires a minimum rear yard setback of 20 feet within the Commercial Gateway Center. The applicant is proposing to construct an addition that will provide a rear yard setback of 15.1 feet along the southerly rear property line.

The NJMC Zoning Regulations at NIAC Section 19-4-14(e) state in part that, a variance shall not be granted unless specific written findings of fact directly based upon the particular evidence presented are made that support conclusions that...

1. Concerning bulk variances:
 1. The variance requested arises from such condition that is unique to the property in question, is not ordinarily found in the same zone, and is not created by any action of the property owner or the applicant.

The subject property is currently improved with a fuel service station that has two fueling islands, a 1,586-square-foot single-story retail building located in the southeasterly portion of the lot, and associated paved areas. The subject property, having a lot area of 0.50 acre, is underzoned in relation to the minimum two-acre lot area requirement of the Commercial Gateway Center. Additionally, the property is irregularly-shaped, due to a lot depth that varies approximately 20 percent between the westerly and easterly lot lines, and the resulting skew of the northerly lot line. The existing building is located proximate to the easterly lot line in the deeper portion of the lot.

The applicant proposes to construct a 250-square-foot addition in the southerly rear yard to provide additional storage space to accommodate the conversion of a portion of the existing retail facility to a restaurant use, proposed as a Dunkin' Donuts franchise. The proposed addition will provide a minimum southerly rear yard setback of 15.1 feet, whereas a minimum rear yard setback of 20 feet is required within the Commercial Gateway Center of the Paterson Plank Road Redevelopment Area.

The configuration of the existing building on the site, as well as the location of existing paved areas used for parking and circulation to the north and west of the existing building on the site, leaves the southerly rear yard as the most appropriate location for a building addition. The applicant attested that the proposed addition is needed to accommodate a functional floor plan to provide refrigerator and freezer storage space within the addition. The

footprint of the proposed addition is designed to allow access from the existing rear egress door from the building. However, the ability to comply with the applicable minimum rear yard setback requirement is affected by the existing building's location.

This combination of conditions related to the size and configuration of the property, and the location of the existing building, impact the site in a unique manner. These conditions are not ordinarily found on properties in the Commercial Gateway Center within the Paterson Plank Road Redevelopment Area and were not created by any action of the property owner.

ii. *The granting of the variance will not adversely affect the rights of neighboring property owners or residents.*

The granting of the requested bulk variance to construct a building addition with a 15.1-foot setback from the southerly rear property line, whereas a minimum 20-foot rear yard setback is required, will not adversely affect the rights of neighboring property owners or residents. The neighborhood in which the subject property is located is primarily industrial and commercial in nature.

The proposed improvements will not create any negative visual impacts to neighboring properties or impede their ability to function as intended. The height of the proposed addition is 8.5 feet, which is approximately 6.8 feet lower than the existing building height of 15.3 feet. A landscaped buffer situated between the subject property and the neighboring property to the south will screen the visual impact of the proposed addition.

iii. *The strict application of the regulations will result in peculiar and exceptional practical difficulties to, or exceptional and undue hardship upon, the property owner.*

The strict application of the regulations requiring a minimum rear yard setback of 20 feet along the southerly property line, whereas 15.1 feet is proposed, will result in peculiar and exceptional practical difficulties to, or exceptional and undue hardship upon, the property owner. The subject property is an irregularly-shaped undersized lot, having a lot area four times smaller than the minimum two acre requirement within the Commercial Gateway Center. The property's existing developed conditions present further challenges in providing a conforming setback that allows for a functional addition in relation to the existing building configuration, while avoiding impacts to the site's parking and circulation areas.

Alternative locations to construct the proposed addition are limited for several reasons, including the impracticability of constructing storage areas consisting of refrigeration and freezer space on a second floor. An existing rear door proposed to remain for ingress for deliveries to the facility would be blocked by an alternative compliant location. Furthermore, existing paved areas utilized for parking and site circulation are present to the north and west of the existing building, and are integral to the site's operations as a fuel service station and convenience store. Therefore, a building addition providing for a compliant rear yard setback would conflict with existing loading, parking areas and drive aisles.

Finally, reducing the size of the proposed addition to comply with the rear yard setback regulations and to avoid impacts to the site's parking and circulation areas would reduce the footprint of the proposed addition by nearly 51 percent, rendering it unfeasible.

The existing lot coverage at the premises, inclusive of all buildings and canopies, is 13.97 percent, whereas up to 60 percent lot coverage is permitted in the zone. The existing area of the building at the premises represents a 7.2 percent lot coverage, and the proposed 250-square-foot addition would increase the site's existing lot coverage by only 1.1 percent.

In balancing the requirements of the Commercial Gateway Center within the Paterson Plank Road Redevelopment Plan with the particular characteristics of the property, the proposed variance is required to provide a functional building and site configuration.

iv. The variance will not result in substantial detriment to the public good and will not adversely affect the public health, safety, morals, order, convenience, prosperity or general welfare.

There will be no substantial detriment to the public good and no adverse impacts to the public health, safety, morals, order, convenience, prosperity or general welfare by the granting of the requested variance. The placement of the building addition within the southerly rear yard, as proposed, will not have a significant adverse impact on public safety or health, as adequate light, air, and open space will continue to be supplied.

The proposed addition is to be located approximately 100 feet to the north of the existing structure on the neighboring property to the south, identified as Block 105.02, Lot 1. The proposed addition is also approximately 6.8 feet lower in height than the existing building on the site.

There will be no changes to the current on-site vehicle circulation pattern. Access to the site from Paterson Plank Road is via an entrance-only driveway on the western side of the property, and an exit-only driveway on the eastern side of the property. The proposed placement of the addition in the rear yard as proposed avoids potential public safety impacts that a compliant building addition placed in areas currently used for on-site parking and circulation could engender.

In addition, excess noise, odor, vibration, or glare will not be generated as a result of the proposed building addition. Therefore, the placement of the building addition within the southerly rear yard, as proposed, will have no adverse impact on public safety or health, as adequate light, air, and open space will continue to be supplied.

v. The variance will not have a substantial adverse environmental impact.

The granting of the requested variance will not have any adverse environmental impacts. The location of the proposed building addition in relation to the southerly rear yard will not cause the NJMAC's performance standards regarding noise, vibrations, airborne emissions, hazardous materials, glare or water quality to be

exceeded. No environmentally sensitive areas will be disturbed. The improved site will provide 15 percent open space, in compliance with the minimum open space requirements for the Commercial Gateway Center within the Paterson Plank Road Redevelopment Plan. Additionally, a drainage pattern similar to existing conditions will be maintained.

vi. The variance represents the minimum deviation from the regulations that will afford relief.

The granting of the requested variance to construct a 250-square-foot building addition with a minimum rear yard setback of 15.1 feet represents the minimum deviation from the NJMC regulations that will afford relief. Due to the particular characteristics of the property, including its irregular shape, its undersized lot area and the layout and configuration of the existing building and other improvements on the site, the proposed addition could not be constructed in a feasible manner if the required 20-foot rear yard setback was applied at this property.

The total proposed lot coverage of 15.1 percent is in substantial compliance with the zone's required maximum lot coverage of 60 percent. The area of the proposed addition represents a minor 1.1 percent increase in the site's existing lot coverage. The improved site will provide 15 percent open space, in compliance with the minimum open space requirements. Compliance with the lot coverage and open space requirements, particularly on an undersized property, signifies that the property will not be overdeveloped.

The proposal represents a reasonable balance between the zoning requirements of the zone and their application to the particular characteristics of the property in question.

vii. Granting the variance will not substantially impair the intent and purpose of these regulations.

The granting of the requested variance will not impair the intent and purpose of the regulations. Specific purposes of the NJMC regulations include providing sufficient space in appropriate locations for a variety of uses, and ensuring that such uses are suitably sited and placed in order to relate buildings and uses to each other and to the environment so that aesthetic and use values are maximized. The stated purpose of the Commercial Gateway Center of the Paterson Plank Road Redevelopment Plan is "to serve as a gateway to both the Paterson Plank Road corridor and the NJSEA Sports Complex. The recommended land uses for this area will provide for a continuation of commercial, retail, and light industrial uses." As the proposed variance will allow for the renovation of an existing accessory retail facility, with a small expansion in floor area to accommodate the storage requirements of a proposed user, it will promote orderly and comprehensive development in accordance with good planning principles that relates the type, design and layout of such development to both the particular site and surrounding environment.

The placement of the building addition efficiently balances the zoning requirements for the Commercial Gateway Center of the

Paterson Plank Road Redevelopment Plan with the specific characteristics of the site. Therefore, the proposed variance would not substantially impair the intent and purpose of the NIMC zoning regulations. Further, the granting of the requested variance will contribute to and promote this intent by allowing the site to be developed and utilized in a safe, orderly, and efficient manner.

C. Standards for the Granting of a Bulk Variance from the Provisions of the Bulk Requirement listed in Section IV.C of the Paterson Plank Road Redevelopment Plan, which requires a minimum front yard parking setback of 25 feet within the Commercial Gateway Center.
The applicant is proposing an additional parking space that will result in a front yard parking setback of 20.1 feet.

The NIMC Zoning Regulations at N.J.A.C. Section 19-4.4(4)(e) state in part that, a variance shall not be granted unless specific written findings of fact directly based upon the particular evidence presented are made that support conclusions that...

1. Concerning bulk variances:

i. The variance requested arises from such condition that is unique to the property in question, is not ordinarily found in the same zone, and is not created by any action of the property owner or the applicant.

The subject property is currently improved with a fuel service station that has two fueling islands, a 1,586-square-foot single-story retail building located in the southeasterly portion of the lot, and associated paved areas. The subject property, having a lot area of 0.50 acre, is undersized in relation to the minimum two-acre lot area requirement of the zone. Additionally, the property is irregularly-shaped, due to a lot depth that varies approximately 20

percent between the westerly and easterly lot lines, and the resulting skew of the northerly lot line. The existing building is located proximate to the easterly lot line in the deeper portion of the lot.

The applicant proposes to construct a 250-square-foot addition in the southeasterly portion of the site to accommodate the conversion of a portion of the existing retail facility to a restaurant use, proposed as a Dunkin' Donuts franchise. One additional parking space is required to be provided as a result of the proposed addition.

The applicant proposes to provide this additional parking space on existing paved area in the northeasterly portion of the site, having a minimum front yard parking setback of 20.1 feet, whereas a minimum front yard parking setback of 25 feet is required in the Commercial Gateway Center zone of the Paterson Plank Road Redevelopment Plan.

This combination of conditions related to the size of the property, its irregular shape, and the configuration of the existing building, fuel service station and site improvements, impact the ability to provide additional parking on the site in a unique manner. These conditions are not ordinarily found on properties in the Commercial Gateway Center of the Paterson Plank Road Redevelopment Area and were not created by any action of the property owner.

ii. *The granting of the variance will not adversely affect the rights of neighboring property owners or residents.*

The granting of the requested bulk variance to locate one parking space within the required front yard parking setback will not adversely affect the rights of neighboring property owners or residents. The neighborhood in which the subject property is located is primarily industrial and commercial in nature, and there are no residences located nearby. The proposed parking space will be located on existing paved area near the egress driveway at the subject property. A 7-foot-wide landscaped strip provides separation between the proposed parking space and the adjoining property to the east, and there will be no negative impacts to the neighboring property's operations or improvements. Therefore, the granting of the requested variance will not adversely affect the rights of neighboring property owners or residents.

iii. *The strict application of the regulations will result in peculiar and exceptional practical difficulties to, or exceptional and undue hardship upon, the property owner.*

This application proposes to provide one additional parking space at a minimum setback of 20.1 feet from the front lot line, whereas a minimum front yard parking setback of 25 feet is required. Due to the undersized condition of the lot, there is less area on the site available to accommodate required site improvements, such as parking, than on typical properties in the same zone.

The proposed parking space will result from the application of striping over existing pavement. No additional impervious area is proposed to accommodate the additional parking space, and the site complies with the zone's minimum open space requirements. The granting of the requested variance will allow the site to comply with the minimum number of parking spaces required by NIMC regulations to support the uses on the site.

The existing configuration of the improvements on the property, such as the layout of the fuel service station's fuel pumps and canopies, the placement of the existing building on the site, and the arrangement of parking areas, present challenges in the provision of additional parking spaces on the site. There is no alternative conforming location available on the site to provide an additional required parking space that is adequate in size and positioned in a safe manner so as to avoid circulation conflicts with vehicles maneuvering on the site.

The strict application of the regulations would not permit the installation of the additional required parking space at the premises, and, therefore, would prevent the construction of a minor 250-square-foot building addition integral to the operations of a prospective new tenant at the premises.

Therefore, the strict application of the parking regulations will result in peculiar and exceptional practical difficulties and undue hardship to the applicant.

to. The variance will not result in substantial detriment to the public good and will not adversely affect the public health, safety, morals, order, convenience, prosperity or general welfare.

The granting of the requested bulk variance to provide one parking space within the required front yard parking setback will not result in substantial detriment to the public good or adversely affect the general welfare. The additional parking space is required to support a proposed addition to the building. Ancillary facade and site improvements will result in an aesthetic improvement to this portion of the Paterson Plank Road corridor. Open space will not be affected since the location of the proposed parking space is currently paved. Additionally, public safety will not be negatively impacted as the proposed parking space will be located near the egress driveway of the site, and will not conflict with traffic either exiting the site or entering the site from Paterson Plank Road.

v. The variance will not have a substantial adverse environmental impact.

The granting of the requested bulk variance to provide one parking space within the required front yard parking setback will not result in any adverse environmental impacts. No environmentally sensitive areas will be disturbed, and the proposed parking space will be striped on existing pavement. All open space requirements will be met and there will be no adverse impact to area drainage. In addition, the NJMFC's environmental performance standards for noise, glare, vibrations, airborne emissions, or hazardous materials will not be exceeded.

vi. The variance represents the minimum deviation from the regulations that will afford relief.

The granting of the requested bulk variance to provide one parking space at a minimum setback of 20.1 feet from the front lot line in order to provide the required number of parking spaces, whereas a 25-foot front yard parking setback is required, represents the minimum deviation from NJMFC regulations that will afford relief.

The proposed additional parking space will facilitate compliance with the zoning requirements for the minimum number of parking spaces required at the property, and has been designed to accommodate a functional site layout. No practicable alternate locations are available to accommodate the additional parking space required on the site, due to the location of existing parking and vehicular use areas, the irregular shape of the property, and the undersized area of the lot. Not providing this additional space within the front yard setback would create the need for an additional variance from NJMFC regulations for noncompliance with the required number of parking spaces and/or prevent the minor addition to the building that would contribute to renovations on the property.

The proposed encroachment into the front yard setback is by a 4.9-foot-wide portion of the parking space, which does not constitute a significant deviation in the context of the particular characteristics of the site. The adjoining parking spaces meet the minimum required width of 8.5 feet, and could not be re-striped to a lesser

dimension to minimize the intrusion of the proposed parking space into the setback.

Therefore, the proposed variance represents the minimum deviation from the NIMC regulations that will afford relief.

vii. *Granting the variance will not substantially impair the intent and purpose of these regulations.*

The granting of the requested variance will not impair the intent and purpose of the regulations. Specific purposes of the NIMC regulations include providing sufficient space in appropriate locations for a variety of uses, and ensuring that such uses are suitably sited and placed in order to relate buildings and uses to each other and to the environment so that aesthetic and use values are maximized. The purpose of the Commercial Gateway Center zone of the Paterson Plank Road Redevelopment Plan is "to serve as a gateway to both the Paterson Plank Road corridor and the NJSEA Sports Complex. The recommended land uses for this area will provide for a continuation of commercial, retail, and light industrial uses."

The proposed parking space supports the construction of a minor 250-square-foot building addition integral to the operations of a prospective new tenant at the premises that would spur the overall renovation of the existing facility. The upgrading of buildings along the Paterson Plank Road corridor is an important component of the redevelopment planning objectives of the area that would be promoted by the granting of the requested variance.

The proposed variance will promote orderly and comprehensive development of the site that relates the type, design and layout of improvements to both the particular site and the surrounding environment, and, therefore, contributes to and promotes the intent of the NIMC regulations.

D. Standards for the Granting of a Bulk Variance from the Provisions of N.I.A.C. 19-4-8.14(f)4 which requires that the total sign area permitted for a multi-tenanted structure shall not exceed five percent of the building's main facade. A 35.43-square foot wall identification sign and a 59.94-square foot wall identification sign are proposed in addition to an existing 19.3-square foot wall identification sign that will remain, resulting in a total sign area of 114.57 square feet, which is 13.42 percent of the building's main facade.

The NIMC Zoning Regulations at N.I.A.C. Section 19-4-114(e) state in part that, *a variance shall not be granted unless specific written findings of fact directly based upon the particular evidence presented are made that support conclusions that...*

1. *Concerning bulk variances:*

i. *The variance requested arises from such condition that is unique to the property in question, is not ordinarily found in the same zone, and is not created by any action of the property owner or the applicant.*

The subject property is currently improved with a fuel service station that has two fueling islands, a 1,586-square-foot single-story retail building located in the southeasterly portion of the lot, and associated paved areas. The subject property, having a lot area of

0.50 acre, is undersized in relation to the minimum two-acre lot area requirement of the zone. Additionally, the property is irregularly-shaped, due to a lot depth that varies approximately 20 percent between the westerly and easterly lot lines and the resulting skew of the northerly lot line. The existing building is located proximate to the easterly lot line in the deeper portion of the lot.

The size and configuration of the existing building on the site uniquely impact the ability to provide additional signage to accommodate a multi-tenanted building. The size of the existing building on the premises is relatively small in comparison to the size of the lot representing 7.2 percent of the property's lot coverage, and its usage is currently accessory in nature to the fuel service station use on the property. The applicant proposes to convert a portion of the existing retail facility to a restaurant use, proposed as a Dunkin' Donuts franchise.

The building's main facade is the northerly elevation fronting on Paterson Plank Road, at which the entrance doors to the tenant spaces will be located. However, traffic traveling eastbound on Paterson Plank Road, which is the only travel direction from which the site may be accessed, will view the building's western elevation as the site is approached. Therefore, in order to adequately identify the site, signage must be placed upon both the northern and western facade. Additional sign area above the five percent allocation would be required to accomplish adequate identification of the tenant spaces based on the particular characteristics of the site.

ii. The granting of the variance will not adversely affect the rights of neighboring property owners or residents.

The granting of the requested variance to exceed the maximum permitted sign area will not adversely affect the rights of neighboring property owners or residents. The neighborhood in which the subject property is located is primarily industrial and commercial in nature, and no residences are located nearby.

The proposed signage consists of two wall signs on the northern building elevation and one wall sign on the building's westerly elevation. The applicant proposes to remove one existing Food Mart wall sign, retain and relocate one existing Food Mart wall sign, and install two new Dunkin' Donuts wall signs.

The proposed signage will not adversely impact adjoining neighbors. The property to the west, Block 105.02, Lot 1, has its primary frontage on and access from Murray Hill Parkway, but also contains a 40-square-foot pylon sign located along Paterson Plank Road adjacent to the property in question. The visibility of the neighbor's existing sign will not be obstructed by the proposed wall signs on the subject property. An existing pylon sign on the neighboring property to the east, at Block 105.02, Lot 3, is a significant distance from the proposed wall signage, and will not be obstructed by the proposed wall signs.

Therefore, the granting of the requested variance to install additional signage in excess of the five percent maximum

requirement will not adversely affect the rights of neighboring property owners or residents.

iii. *The strict application of the regulations will result in peculiar and exceptional practical difficulties to, or exceptional and undue hardship upon, the property owner.*

The maximum permitted sign area for the building is calculated as five percent of the main building facade area, or 42.7 feet. In this application, additional signage is proposed for the Dunkin' Donuts tenant space that would increase the amount of signage on the site to 114.57 square feet, or 13.42 percent of the building's main facade area, exceeding the five percent maximum requirement by 71.87 square feet.

The applicant proposes to relocate an existing 19.5-square-foot Food Mart sign from the western elevation to the northern elevation. The strict application of the regulations would leave 23.2 square feet of total sign area available to accommodate signage for the Dunkin' Donuts tenant. In order to adequately identify to the motoring public the Dunkin' Donuts tenancy on the site, signage is requested to be installed both on the building's main facade, which is the northern elevation along Paterson Plank Road, for visibility to westbound motorists on Paterson Plank Road, and on the western elevation, which would be visible to eastbound motorists. A 59.64-square-foot Dunkin' Donuts wall sign is proposed on the western elevation, and a 35.43-square-foot Dunkin' Donuts wall sign is proposed on the northern elevation.

Practical difficulties do exist in the application of the sign requirements to this particular property. The existing building on the site currently accommodates a single tenant and is relatively small in relation to the area of the lot, having a lot coverage of 7.2 percent. However, the introduction of a new tenant into the building, proposed as a restaurant use, while retaining the convenience retail use, results in unique signage needs for a building of such small scale. The proposed variance relates to the signage needs of a building being converted from use by a single tenant to a multi-tenanted structure.

The building is located approximately 47 feet from Paterson Plank Road. Existing canopies and pylon signage related to the fuel service station are present in the westerly portion of the site and impact the visibility of the building by motorists traveling eastbound on Paterson Plank Road. In order to adequately identify the tenants in the building to the motoring public, additional sign area above the 23.2 remaining square feet is merited at this particular property.

Due to these specific circumstances, the strict application of the regulations would result in practical difficulties in the applicant's ability to adequately identify the tenants within the building. However, it must be ensured that the amount of additional sign area requested is adequate, but not excessive. It is noted that the proposed Dunkin' Donuts sign on the western elevation is comprised of the words, "DUNKIN' DONUTS," with lettering measuring 1.5 feet in height, but also includes a coffee cup graphic element centrally located within the sign that is 3.34 feet in height.

However, by decreasing the size of the coffee cup logo to match the 1.5 foot lettering height on the sign, a reduction of 33.48 square feet of sign area can be achieved, which would reduce the total size of the proposed sign to 26.16 square feet. At the public hearing, the applicant testified that they would be amenable to this reduction in signage. This reduction in the sign area is recommended as it will reduce the total requested sign area to approximately 9.5 percent of the total facade area.

iv. The variance will not result in substantial detriment to the public good and will not adversely affect the public health, safety, morals, order, convenience, prosperity or general welfare.

The proposed signage area will not result in a substantial detriment to the public good and will not adversely affect the public health, safety, morals, order, convenience, prosperity, or general welfare. Rather, the additional sign area will promote these purposes by providing adequate identification of the uses on the site.

The proposed signage is intended to adequately identify the two proposed building tenants, and is directed to the traveling public along Paterson Plank Road. Therefore, identification is required from both the eastbound and westbound travel lanes. The proposed signage on the northern building elevation provides identification of the uses on the site to westbound motorists, while the signage on the western elevation will be directed to eastbound traffic to assist in the identification of the tenants in advance of entering the site. The ability to safely and sufficiently view signage from the surrounding roadway network is a benefit to the safety of

the public, particularly on a location along a heavily-traveled state roadway.

v. The variance will not have a substantial adverse environmental impact.

The proposed variances will not have a substantial adverse environmental impact. The signs are proposed to be located on the building facade which currently contains signage on both facades. The proposed signs will not be flashing or moving signs, and will not cause the NJMC's environmental performance standards for noise, glare, vibrations, airborne emissions, or hazardous materials to be exceeded. However, the visual impact of the proposed sign on the westerly elevation could be minimized by a reduction in height of the coffee cup graphic element of the sign to be consistent with the 1.5-foot lettering height of the sign. This would result in a significant reduction in sign area of 33.48 square feet, while continuing to provide adequate identification of the Dunkin' Donuts tenant space.

vi. The variance represents the minimum deviation from the regulations that will afford relief.

NJMC sign regulations permit five percent of the building's main facade area to be utilized for determining the permitted sign area. The total permitted sign area at the premises is 42.7 square feet. The applicant proposes to relocate an existing 19.5-square-foot Hood Mart sign from the western elevation to the northern elevation, leaving 23.2 square feet of total sign area available to

accommodate signage for the Dunkin' Donuts, which would not be sufficient signage to identify the tenant space at the premises.

The applicant proposes a total sign area of 114.57 square feet, or 13.42 percent of the building's main facade area, exceeding the five percent maximum requirement by 71.87 square feet. In multi-tenanted structures, the NJM/C may permit the utilization of up to 10 percent of the building's main facade area where the additional area would assist in developing a more integrated sign plan. However, the proposed signage does not result in the minimum deviation from the regulations in this particular instance.

A reduction in the proposed signage area could be achieved with a small revision to the plan that would not impact the ability of the Dunkin' Donuts tenant to adequately identify the tenant space. The proposed Dunkin' Donuts sign on the western elevation contains lettering measuring 1.5 feet in height, but also includes a coffee cup graphic centrally located within the sign that is 3.34 feet in height. However, by decreasing the size of the coffee cup logo to match the 1.5 foot lettering height on the sign, a reduction of 83.48 square feet of sign area can be achieved, which would reduce the total size of the proposed sign to 26.16 square feet. At the public hearing, the applicant testified that they would be amenable to this reduction in signage. This reduction in the sign area is recommended as it will reduce the total requested sign area to approximately 9.5 percent of the total facade area.

The proposed visual impact of the total sign proposal could be further minimized by providing for a consistent design scheme

with other improvements proposed as part of the renovation of the facility. Currently, the applicant proposes to reuse and relocate an existing Food Mart sign and canopy that are blue in color, with a red band on the facade. The proposed Dunkin' Donuts color scheme would include brown and orange canopies. This combination of colors results in a disjointed appearance. The applicant has testified that he was amenable to changing the colors of existing building elements in order to blend with the Dunkin' Donuts tenancy and provide for a more cohesive design. Therefore, it is recommended that the proposed facade improvements, including, but not limited to, wall color, canopies, and signage, shall provide for a cohesive design scheme at the premises.

With the proposed recommended conditions for a reduction in the proposed sign area and the provision of a more cohesive site appearance, the proposal would represent the minimum deviation from the regulations.

vi. Granting the variance will not substantially impact the intent and purpose of these regulations.

The intent and purpose of the sign regulations is to provide for adequate identification for a use, while providing balance between the scale of a facility and the amount of signage placed upon it. The existing building on the site is relatively small, and the granting of a variance to exceed the maximum permitted sign area would assist the property owner in providing for a more integrated sign plan at the facility. The variance also promotes the public

B. Standards for the Granting of a Bulk Variance from Bulk Requirement listed in Section IV.C of the Paterson Plank Road Redevelopment Plan, which requires a minimum rear yard setback of 20 feet within the Commercial Gateway Center. The applicant is proposing to construct an addition that will provide a rear yard setback of 15.1 feet along the southerly property line.

Based on the record in this matter, the bulk variance application to construct a 250-square-foot building addition with a proposed rear yard setback of 15.1 feet along the southerly rear property line, whereas a minimum rear yard setback of 20 feet is required, is hereby recommended for approval.

APPROVAL 4/14/14

Sara J. Sundell, P.E., P.P.
Director of Land Use Management

APPROVAL 4/14/14

Marcia A. Karow
Executive Director

C. Standards for the Granting of a Bulk Variance from the Provisions of the Bulk Requirement listed in Section IV.C of the Paterson Plank Road Redevelopment Plan, which requires a minimum front yard parking setback of 25 feet within the Commercial Gateway Center. The applicant is proposing an additional parking space that will result in a front yard parking setback of 20.1 feet.

Based on the record in this matter, the bulk variance application to construct a 250-square-foot warehouse building addition with a front yard parking setback of 20.1 feet provided, whereas a minimum of 25 feet is required, is hereby recommended for approval.

APPROVAL 4/14/14

Sara J. Sundell, P.E., P.P.
Director of Land Use Management

APPROVAL 4/14/14

Marcia A. Karow
Executive Director

D. Standards for the Granting of a Bulk Variance from the Provisions of the Bulk Requirement listed in N.J.A.C. 19A-8.14(f)4, which requires that the total sign area permitted for a multi-tenanted structure shall not exceed five percent of the building's main facade. A 35.43-square foot wall identification sign and a 59.64-square foot wall identification sign are proposed in addition to an existing 19.5-square foot wall identification sign that will remain, resulting in a total sign area of 114.57 square feet, which is 13.42 percent of the building's main facade.

Based on the record in this matter, the bulk variance application to install a total sign area in excess of the maximum permitted total sign area of five percent of the building's main facade is hereby recommended for approval, subject to the following conditions:

1. The proposed sign on the westerly elevation, inclusive of all lettering and graphic elements, shall not exceed a maximum sign area of 26.2 square feet.
2. The total sign area at the premises shall not exceed 9.5 percent of the building's main facade area.
3. The proposed facade improvements, including, but not limited to, wall color, canopies, and signage, shall provide for a cohesive design scheme at the premises, as approved by the Chief Engineer.

CONDITIONAL APPROVAL
Recommendation on
Variance Request
Date 4/14/14
Sara J. Sandell, P.E., P.P.
Director of Land Use Management

Conditional Approval
Recommendation on
Variance Request
Date 4/14/14
Marela A. Kattow
Executive Director

**RESOLUTION ISSUING A DECISION ON THE
SUITABILITY RECOMMENDATION AS REQUIRED BY THE
NJMC INTERIM POLICIES GOVERNING AFFORDABLE HOUSING
DEVELOPMENT IN THE MEADOWLANDS DISTRICT
FILE NO. 14-141, Blvd. Tire/New Residential Townhouses
BLOCK 132, LOT 2
IN THE TOWN OF SECAUCUS**

WHEREAS, in a decision dated May 21, 2007 (A-4174-03T3; A-3107-04T1), the Appellate Division of the New Jersey Superior Court determined, among other things, that the New Jersey Meadowlands Commission (NJMC) should consider whether new development in the Meadowlands District should be avoided until the Commission implements new rules concerning affordable housing; and

WHEREAS, on July 25, 2007, the Commission adopted Resolution No. 07-68, which approved the "Policy Statement Regarding the NJMC's Expanded Responsibilities to Plan and Zone for Affordable Housing"; and

WHEREAS, on May 6, 2008, COAH adopted new rules, which became effective upon publication in the New Jersey Register on June 2, 2008 and, in addition, adopted new rules on September 22, 2008, which became effective on October 20, 2008; and

WHEREAS, on July 17, 2008, P.L. 2008, Chapter 46 became law, revising various parts of the statutory law concerning affordable housing; and

WHEREAS, on July 23, 2008, the Commission adopted Resolution No. 08-80, which approved the "*Interim Policies Governing Affordable Housing Development in the Meadowlands District*," in order to govern the review of and restraints upon applications for further development in the Meadowlands District in a manner consistent with these regulatory and statutory changes, prior to the implementation of new regulations regarding same; and

WHEREAS, the Interim Policies, last revised by Resolution No. 11-29 on July 27, 2011, govern all zoning certificate applications, petitions to amend the Official Zoning Map, new redevelopment plans, and proposed amendments to a redevelopment plan pertaining to new proposed uses or changes to existing uses, received on or after July 24, 2008 and remain in effect until the NJMC promulgates new regulations concerning affordable housing, or the Policies are withdrawn or rescinded by Commission action or court order, whichever occurs first; and

WHEREAS, the Interim Policies set forth the criteria for a Review Team, comprised of three NJMC staff members including one New Jersey-licensed professional engineer and one New Jersey-licensed professional planner, and also a professional planner representing the municipality in which the proposed development is located, to review each applicable application to determine the suitability of the subject site for residential use; and

WHEREAS, a zoning certificate application was submitted to the NJMC on March 7, 2014, by Perry Frenzel, P.E., P.P., of Michels & Waldron Associates, LLC, on behalf of Rajeshkumar Patel, for the premises identified as 845 First Street, Block 132, Lot 2, in the Town of Secaucus, New Jersey, and which is located in the Neighborhood Commercial zone; and

WHEREAS, the subject application proposes the construction of a 35-unit residential townhouse development, including 7 affordable units and, as such, is not exempt from the Interim Policies; and

WHEREAS, the application was forwarded to the Review Team for review of the application in accordance with the Interim Policies; and

WHEREAS, the Review Team evaluated the suitability of the subject property taking into consideration the specific application submitted for construction of the proposed residential development; and

WHEREAS, a suitability review, dated April 3, 2014, and attached hereto, has been prepared, indicating the recommendation of the Review Team in this matter; and

WHEREAS, the suitability review recommends that the subject property be deemed suitable for residential use, subject to certain conditions (listed below); and

WHEREAS, the members of the NJMC have reviewed the suitability review and recommendation prepared by the Review Team, regarding the subject property; and

WHEREAS, the members of the NJMC concur with the recommendation of the Review Team; and

WHEREAS, the NJMC hereby determines that the subject property is deemed suitable for residential use, subject to the conditions listed below.

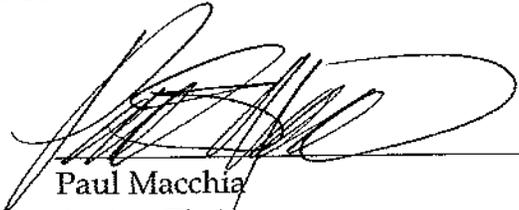
NOW, THEREFORE, BE IT RESOLVED, by the New Jersey Meadowlands Commission, that the subject property located at 845 First Street,

Block 132, Lot 2, in the Town of Secaucus, is deemed suitable for residential use, subject to the following conditions:

1. Prior to the issuance of any zoning certificate for residential use on the subject property, the applicant shall provide the NJMC with results from the appropriate professional of an additional evaluation, performed in accordance with the recommendations of the Phase I Environmental Assessment, that support a positive determination of residential use on the subject property.
2. The applicant shall be required to satisfy the project's affordable housing requirements as per Section VII(a) of the Interim Policies or as required by law.

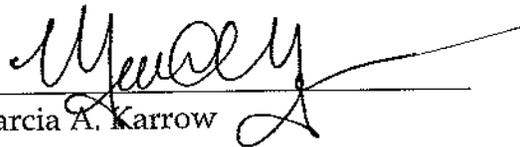
BE IT FURTHER RESOLVED, by the New Jersey Meadowlands Commission, that failure by any developer(s) to abide by the conditions stated herein shall render this site suitability determination null and void.

The foregoing was adopted on Commission vote.



Paul Macchia
Acting Chairman

I hereby certify the foregoing to be a true copy of the Resolution adopted by the New Jersey Meadowlands Commission at its meeting of April 23, 2014.



Marcia A. Karrow
Secretary

Resolution No. 14-16

___ Motion ___ Second ___ Roll Call

Memorandum

New Jersey Meadowlands Commission

To: NJMC Commissioners and Marcia A. Karrow, Executive Director

From: Sara J. Sundell

Date: April 23, 2014

Subject: Site Suitability Recommendation for Block 132, Lot 2, in the Town of Secaucus
(File No. 14-141)

In a decision dated May 21, 2007 (A-4174-03T3; A-3107-04T1), the Appellate Division of the New Jersey Superior Court determined, among other things, that the New Jersey Meadowlands Commission (NJMC) should consider whether new development in the Meadowlands District should be avoided until the Commission implements new rules concerning affordable housing. The Commission followed up by adopting Resolution No. 07-68, on July 25, 2007, which approved the "Policy Statement Regarding the NJMC's Expanded Responsibilities to Plan and Zone for Affordable Housing." Thereafter, on July 23, 2008, the Commission adopted Resolution No. 08-80, which approved the "Interim Policies Governing Affordable Housing Development in the Meadowlands District," which was last revised by Resolution No. 11-29 on July 27, 2011, in order to govern the review of and restraints upon applications for further development in the Meadowlands District in a manner consistent with regulatory and statutory changes regarding affordable housing, prior to the implementation of new regulations regarding same.

The Interim Policies apply to all zoning certificate applications, petitions to amend the Official Zoning Map, new redevelopment plans, and proposed amendments to a redevelopment plan pertaining to new proposed uses or changes to existing uses, received on or after July 24, 2008, and will remain in effect until the NJMC promulgates new regulations concerning affordable housing, or the Interim Policies are withdrawn or rescinded by Commission action or court order, whichever occurs first. The Interim Policies set forth the criteria for a Review Team, comprised of three NJMC staff members, including one New Jersey-licensed professional engineer and one New Jersey-licensed professional planner, and also a professional planner representing the municipality in which the proposed development is located, to review each applicable application to determine the suitability of the subject site for residential use.

The NJMC received an application for the construction of a 35-unit residential townhouse development, including 7 affordable units, on the premises identified as 845 First Street, Block 132, Lot 2, in Secaucus, New Jersey.

The matter was forwarded to the Review Team for review of the proposed development in accordance with the Interim Policies. A suitability review, dated April 3, 2014, has been prepared, indicating that the Review Team recommends that the subject property be deemed suitable for residential use, subject to further evaluation in order to rule out potential environmental concerns, in accordance with the recommendations listed in the Phase 1 Environmental Assessment performed for the site by RLG Environmental, Inc.

At this time, the NJMC staff is recommending that the members of the NJMC concur with the site suitability recommendation prepared by the Review Team, which determines that the subject property be deemed suitable for residential use, subject to certain conditions listed therein.



Suitability Review - Summary

File No. 14-141

Blvd. Tire/New Residential Townhouses

Block 132, Lot 2, in the Town of Secaucus

April 3, 2014

A zoning certificate application (File No. 14-141) was submitted to the NJMC by Perry Frenzel, P.E., P.P., of Michels & Waldron Associates, LLC, on behalf of Rajeshkumar Patel, for the premises identified as 845 First Street, Block 132, Lot 2, in the Town of Secaucus, New Jersey. The application proposes the construction of a 35-unit residential townhouse development, including 7 affordable units, on the subject property.

The subject property is located in the Neighborhood Commercial zone and, as such, is not exempt from the site suitability review process. In keeping with the review process, the site characteristics of the property have been evaluated in accordance with the "Interim Policies Governing Affordable Housing Development in the Meadowlands District," adopted by the NJMC on July 24, 2008, and last revised on July 27, 2011.

Proposed Use

The applicant proposes to construct a 35-unit residential townhouse development, including 7 affordable units, on Block 132, Lot 2. Residential dwellings are only permitted in the Neighborhood Commercial zone when they are accessory to a permitted use. As such, the proposed use is not permitted in the zone.

In accordance with Section IV(c)1 of the Interim Policies, the criteria to deem a site suitable for housing are as follows:

- i. The site is adjacent to compatible land uses and has access to appropriate streets.
 - The subject property is located within the Neighborhood Commercial zone. Existing uses within this portion of the Neighborhood Commercial zone include residential, commercial and retail businesses, as well as public amenities such as the Secaucus Public Library.
 - The surrounding development pattern is compatible with the development of residential uses, due to the predominance of existing residential uses in the area. A townhouse development in this location



could act as a transitional use between the garden apartments located to the east, on the opposite side of Paterson Plank Road, and the single- and two-family residential neighborhood located to the south and west, on the opposite side of Flanagan Way. There is also another townhouse development located a short distance to the west along Flanagan Way that was constructed in 2004.

- The subject property is located within walking distance of the Secaucus downtown area, which includes local shopping, dining, neighborhood retail and personal services, as well as community recreational events and functions promoted by the municipality. The Secaucus Public Library is also adjacent to the subject site.
 - The site is situated on Flanagan Way, First Street and Paterson Plank Road, which are all part of the local roadway network. Proposed driveway access to the site is off of Flanagan Way, which is a less-traveled collector in comparison to Paterson Plank Road, and thus, a more appropriate access point for a residential development.
 - This criteria is met by the subject property.
- ii. **The site has access to water and sewer infrastructure with sufficient capacity.**
- The area surrounding the subject property is fully developed. The existing structures on the subject property are connected to existing utilities. Public water and sewer utilities currently serve the existing commercial, industrial and residential uses located in the vicinity of the subject premises.
 - This criteria is met by the subject property.
- iii. **The site can be developed consistent with the rules of the NJMC.**
- The existing 38,000 square foot structure is proposed to be demolished to allow for the construction of the townhouse development. Upon demolition, the property will be vacant, with no significant limitations or constraints that would preclude the development of the site consistent with the rules of the NJMC.
 - This criteria is met by the subject property.



- iv. **Former and existing land uses, either on the site or in the vicinity, may not expose residents to environmental hazard. Alternatively, the site shall be remediated to NJDEP residential standards as a condition of the Board's approval.**
- The subject property has been used for a number of different commercial uses as far back as 1900, including a greenhouse, motor freight station, church, auto repair, office and footwear manufacturing. As such, a Phase I Environmental Site Assessment (Assessment) was prepared for the subject site by RLG Environmental, Inc., dated January 21, 2014 (see attached Executive Summary).
 - The Assessment recommends further evaluation of several environmental concerns/conditions, including additional subsurface investigations to determine if the soils and/or groundwater have been impacted by past operations at the site, and sampling of soil, soil gas and/or groundwater to identify any vapor encroachment conditions as a result of past uses on adjacent properties.
 - Previous uses on the subject property also required the site to be listed on certain data bases (NJ Environmental Management System - NJEMS and Facility Index System/Facility Registry System - FINDS) due to some connection to an NJDEP program, which may or may not have required NJDEP regulatory permitting or enforcement.
 - In order to rule out any potential environmental concerns that could affect the use of the site for residential purposes, this site suitability recommendation shall be conditioned upon the further evaluation of the site in accordance with the recommendations of the Assessment and the submission of the results of such additional evaluation to the NJMC.
 - Note that the NJMC will not issue zoning certificate approval for residential use until such time that the applicant provides results from the additional evaluation that support a positive determination of residential use on the subject property.
- v. **The size, shape, or layout of any existing structure that shall remain, or other physical limitation(s) not listed previously, do not preclude residential use.**
- The only existing structure on the site is a 38,000 square foot industrial/distribution facility that occupies approximately 66 percent of the 1.32 acre property. The existing structure is proposed to be demolished to allow for the construction of the townhouse



development. Upon demolition, the property will be vacant, with no significant limitations or constraints that would preclude the development of the site for residential use.

- This criteria is met by the subject property.

vi. **The site is suitable for residential use pursuant to sound planning principles.**

- In the Neighborhood Commercial zone, residential uses are only allowed when accessory to a permitted use. Although the proposed residential use is proposed as principle use, and not accessory to a permitted use, in this portion of the Neighborhood Commercial zone, a solely residential structure would be compatible within the context of the existing neighborhood.
- The subject property is surrounded by existing residential neighborhoods, including garden apartments situated to the east, single-family and multi-family residences to the south and west, and townhouses to the north.
- The property fronts along Flanagan Way, First Street and Paterson Plank Road, with access to the development proposed from Flanagan Way. As a minor collector street with no direct connection to Route 3, Flanagan Way is the most appropriate street for access to a residential development. An existing townhouse development is located one property to the west along Flanagan Way and the cross-streets of the residential neighborhood located to the south and west intersect with Flanagan Way.
- The subject property is located within a walkable distance from local retail stores, restaurants, public services, and other public amenities, including the adjacent Secaucus Public Library and municipal recreation facilities located within the downtown area.
- There is adequate infrastructure in place to support the proposed project, including roads, water, and sewer capacity. The site is easily accessible to emergency services.
- The NJMC Master Plan, adopted in January 2004, determined that there is a shortage of suitable, affordable housing in northern New Jersey. Development of the site with residential uses would contribute to addressing this need and would further the Master Plan strategy to "spur the production of affordable housing in the region."
- This criteria is met by the subject property.



In summary, all of the above criteria, as per Section IV(c)1 of the Interim Policies, apply, or conditionally apply as stated above, to the subject property.

Conclusion

The subject property, located at 845 First Street, Block 132, Lot 2, in the Town of Secaucus, is recommended to be deemed suitable for housing, subject to the following conditions recommended by the Review Team:

1. Prior to the issuance of any zoning certificate for residential use on the subject property, the applicant shall provide the NJMC with results from the appropriate professional of an additional evaluation, performed in accordance with the recommendations of the Phase I Environmental Assessment, that support a positive determination of residential use on the subject property.
2. The applicant shall be required to satisfy the project's affordable housing requirements as per Section VII(a) of the Interim Policies or as required by law.

Contingent upon the approval of this recommendation by the NJMC Board of Commissioners, the review of the submitted zoning certificate application for the proposed construction of a 35-unit residential townhouse development, including 7 affordable units, may proceed for this site.

PHASE I ENVIRONMENTAL SITE ASSESSMENT

Commercial Property
1375 Paterson Plank Road
(845 1st Street)
Secaucus, Hudson County, NJ 07047
Block 132, Lot 2

Prepared for:

Mr. Raj Patel
SKAD Enterprises LLC
68 Renaissance Drive
Clifton, NJ 07013



Prepared by:

RLG Environmental, Inc.
32 Bushes Lane
Elmwood Park, NJ 07407

January 21, 2014

TABLE OF CONTENTS

1.0	EXECUTIVE SUMMARY.....	1
2.0	INTRODUCTION.....	5
2.1	<i>Purpose</i>	5
2.2	<i>Assumptions, Limitations, and Exceptions</i>	6
3.0	SITE DESCRIPTION.....	8
3.1	<i>Location and Legal Description</i>	8
3.2	<i>Descriptions of Structures, Roads, and Other Improvements on the Site</i> 8	8
3.3	<i>Surrounding Area General Characteristics</i>	10
3.4	<i>Current Uses of the Site</i>	10
3.5	<i>Past Uses of the Site</i>	12
3.6	<i>Current and Past Uses of Adjoining Properties</i>	13
3.7	<i>Physical Setting</i>	14
3.7.1	Topography.....	14
3.7.2	Soils.....	14
3.7.3	Hydrology.....	15
4.0	USER PROVIDED INFORMATION.....	22
4.1	<i>Title Records</i>	22
4.2	<i>Environmental Liens or Activity and Use Limitations</i>	22
4.3	<i>Specialized Knowledge</i>	22
4.4	<i>Valuation Reduction for Environmental Issues</i>	22
4.5	<i>Owner, Property Manager and Occupant Information</i>	22
5.0	RECORDS REVIEW.....	23
5.1	<i>Federal and State Regulatory Agency Records Review (Standards Environmental Records)</i>	23
5.1.1	Federal Agency Database Findings.....	25
5.1.2	State Agency Database Findings.....	28
5.1.3	EDR Proprietary Records.....	34
5.1.4	Local Regulatory Agency Review.....	36
5.2	<i>Historical Use Information</i>	36
5.2.1	Aerial Photograph Review.....	36
5.2.2	Sanborn Map Review.....	37
5.2.3	Site Tax Files.....	38
5.2.4	Historical USGS Topographic Maps.....	38
5.2.5	City Directories.....	39
6.0	INFORMATION FROM SITE RECONNAISSANCE AND INTERVIEWS.....	40
6.1	<i>Methods and Limiting Conditions</i>	40
6.2	<i>Hazardous Substance Use / Storage</i>	40
6.3	<i>Underground Storage Tanks</i>	40

PHASE I ENVIRONMENTAL SITE ASSESSMENT
COMMERCIAL PROPERTY
1375 PATERSON PLANK RD (845 1ST ST) SECAUCUS, NEW JERSEY

6.4	<i>Other Petroleum Products</i>	40
6.5	<i>Indications of PCBs</i>	40
6.6	<i>Indication of Solid Waste Disposal</i>	41
6.8	<i>Stormwater Management / Surface Areas</i>	41
6.9	<i>Wells</i>	41
6.10	<i>Process Materials and Wastes</i>	42
6.11	<i>Site Waste Containments or Deposits</i>	42
6.12	<i>Vapor Encroachment Risks</i>	42
6.13	<i>Radon Issues</i>	43
6.14	<i>Other Environmental Constraints</i>	44
7.0	ISRA APPLICABILITY	47
8.0	FINDINGS AND RECOMMENDATIONS	49
8.1	<i>Environmental Concerns</i>	49
8.1.1	<i>Environmental Concerns from Onsite Operations</i>	49
8.1.2	<i>Environmental Concerns from Offsite Operations</i>	49
8.2	<i>Recommendations to Address the Environmental Concerns</i>	50
8.2.1	<i>Recommendations to Address Environmental Concerns from Onsite Operations</i>	50
8.2.2	<i>Recommendations to Address Environmental Concerns from Off-site Operations</i>	51
9.0	REFERENCES	52
10.0	QUALIFICATIONS	53

APPENDICES

- Appendix A - Photographs
- Appendix B - EDR Certified Sanborn Map Report
- Appendix C - EDR Historical Topographic Map Report
- Appendix D - EDR Aerial Photo Decade Package
- Appendix E - Local Records Review Documents
- Appendix F - EDR Radius Map with GeoCheck
- Appendix G - EDR City Directory Abstract
- Appendix H - Site Reconnaissance

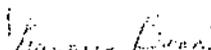
SIGNATURES OF ENVIRONMENTAL PROFESSIONALS

RLG Environmental, Inc. (RLG) conducted this Phase I Environmental Site Assessment in accordance with ASTM Standard Practice E 1527-13.

The following individuals participated in the site investigations research and report preparation.

Respectfully submitted this 21st day of January 2014.

RLG ENVIRONMENTAL, INC.


Shannon Brown
Environmental Technician


Walter Hirleman
Environmental Scientist

1.0 EXECUTIVE SUMMARY

RLG Environmental, Inc. (RLG) performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of the agreement dated November 13, 2013 for the property located at 1375 Paterson Plank Road, Secaucus, New Jersey, herein referred to as the "Site" or "Property".

Any exceptions to or deletions from, this scope are described in Section 2.0 of this report. The assessment was conducted by RLG in response to the authorization by Mr. Raj Patel general accordance with the signed RLG proposal dated November 13, 2013. Mr. Patel can be reached at bapa72@aol.com. The report was completed and reviewed by:

*Shannon Brown
Environmental Scientist
Phone: 201-509-8333*

*Walter Hirleman
Environmental Scientist
Phone: 201-509-8333*

The following is a summary of the findings/conclusions of this report:

Site

The Site consists of one (1) single-story concrete block building constructed in 1967 upon a concrete slab without basement. The structure was completed with a flat roof and covers approximately 40,000 square feet of an irregularly-shaped land parcel +/- 1.32-acres in size. Based on Town of Secaucus tax information, the Property is identified as Lot 2 in Block 132 with an address of 845 1st Street.

The Property is located in a mixed residential and commercial area and provides approximately 300 feet of frontage on Flanagan Way (Old Route 3), 170 feet on

PHASE I ENVIRONMENTAL SITE ASSESSMENT
COMMERCIAL PROPERTY
1375 PATERSON PLANK RD (845 1ST ST) SECAUCUS, NEW JERSEY

1st Street, and 50 feet on Paterson Plank Road. The Site building currently houses three (3) commercial businesses: (1) Boulevard Tire with 22,000 square feet at the west end, (2) Secaucus Martial Arts with 10,000 square feet, and (3) Baseball Performance Institute, LLC with 8,000 square feet at the east end. An adjoining commercial property is situated on the corner of Flanagan Way and 1st Street.

Review of historical Sanborn Maps, Aerial Photographs, and Topographic Maps indicates that the Site was developed with several sets of buildings since at least 1900 and has been used for commercial purposes since that time. Early uses included a greenhouse, motor freight station, a church, auto repair, offices, and slipper manufacturing. Historic uses of adjacent properties included a filling station, truck repair, auto repair, motor freight station, and offices.

Findings

The Phase I ESA identified the following onsite Recognized Environmental Conditions (RECs):

- An electric transformer is located on the paved area adjacent to the southwestern wall of the building. No indication of a spill was observed in the area.
- Historical site industrial and commercial uses (e.g. motor freight station, auto repair, & manufacturing) may have potentially impacted the underlying soils and groundwater at the Site.

The Phase I ESA identified the following offsite Recognized Environmental Conditions (RECs):

- The historical use of the adjacent properties to the Site as fuel storage/dispensing and auto/truck repair may potentially have impacted the Site.

PHASE I ENVIRONMENTAL SITE ASSESSMENT
COMMERCIAL PROPERTY
1375 PATERSON PLANK RD (846 1ST ST) SECAUCUS, NEW JERSEY

- After the Tier 1 & Tier 2 analyses of the EDR Radius Map records, two (2) sites; *840 6th Street and 30 Wood Avenue*, were identified as possible sites that a VEC cannot be ruled out. However, upon further review of the NJDEP database records, a VEC can be ruled out because *840 6th Street* is associated with a residential heating oil UST case and *30 Wood Avenue* is a publicly funded case with a NFA-Entire and a Deed Notice - Historic Fill. Also, a review of the NJDEP GeoWeb data showing identified groundwater Classification Exception Areas (CEAs) did not show any neighboring properties with contaminated plumes that extended to the Site property.

However, based on a review of the Sanborn Map data for the historical use of the adjacent properties to the Site, a VEC cannot be ruled out for the following properties:

- *1377A Paterson Plank Road*
- *1379/1391 Paterson Plank Road*
- *200 Route 3*
- *846 1st Street.*

The Phase I ESA identified the following non-ASTM Environmental Conditions:

- Based on the age of the building, certain building materials may be asbestos containing.
- Based on the age of the building, the original painted surfaces may contain layers of lead based paint.

No Historic Recognized Environmental Conditions (HRECs) or Controlled Recognized Environmental Conditions (CRECs) were identified on the Site.

Recommendations

PHASE I ENVIRONMENTAL SITE ASSESSMENT
COMMERCIAL PROPERTY
1375 PATERSON PLANK RD (845 1ST ST) SECAUCUS, NEW JERSEY

Based on the historical operations at the Site, RLG recommends that further evaluation need to be conducted at the following identified Environmental Concerns/Conditions:

- Due to the past operations at the Site to include various commercial and industrial operations, RLG recommends that subsurface Investigations shall be conducted to determine if the soils/groundwater are impacted. Soil and groundwater samples shall be analyzed for TCL/TAL+30 based on field observations during onsite site investigation activities.
- Suspect asbestos containing building materials (ACBM) and lead based painted (LBP) surfaces may be present in the site building. If the ACBM and LBP are confirmed via a proper survey and sampling, then any renovation/demolition activities should be conducted upon documenting the location of the ACBM and lead based painted surfaces. Furthermore, all local, state and federal regulations should be followed for proper identification or removal of these materials. Additionally, all local, state and federal regulations should be followed for disclosure of such environmental conditions to current/future tenants as well as future buyers.
- Since a VEC cannot be ruled out for four (4) of the adjacent properties to the Site, RLG recommends that sampling of soil, soil gas, and/or groundwater be perform to identify any vapor encroachment conditions.

**RESOLUTION ISSUING A DECISION ON THE
SUITABILITY RECOMMENDATION AS REQUIRED BY THE
NJMC INTERIM POLICIES GOVERNING AFFORDABLE HOUSING
DEVELOPMENT IN THE MEADOWLANDS DISTRICT
FILE NO. 13-801, Hess/New Residential Development & Variance
BLOCK 101, LOT 8
IN THE TOWN OF SECAUCUS
(REVISED)**

WHEREAS, in a decision dated May 21, 2007 (A-4174-03T3; A-3107-04T1), the Appellate Division of the New Jersey Superior Court determined, among other things, that the New Jersey Meadowlands Commission (NJMC) should consider whether new development in the Meadowlands District should be avoided until the Commission implements new rules concerning affordable housing; and

WHEREAS, on July 25, 2007, the Commission adopted Resolution No. 07-68, which approved the "Policy Statement Regarding the NJMC's Expanded Responsibilities to Plan and Zone for Affordable Housing"; and

WHEREAS, on May 6, 2008, COAH adopted new rules, which became effective upon publication in the New Jersey Register on June 2, 2008 and, in addition, adopted new rules on September 22, 2008, which became effective on October 20, 2008; and

WHEREAS, on July 17, 2008, P.L. 2008, Chapter 46 became law, revising various parts of the statutory law concerning affordable housing; and

WHEREAS, on July 23, 2008, the Commission adopted Resolution No. 08-80, which approved the "*Interim Policies Governing Affordable Housing Development in the Meadowlands District*," in order to govern the review of and restraints upon applications for further development in the Meadowlands District in a manner consistent with these regulatory and statutory changes, prior to the implementation of new regulations regarding same; and

WHEREAS, the Interim Policies, last revised by Resolution No. 11-29 on July 27, 2011, govern all zoning certificate applications, petitions to amend the Official Zoning Map, new redevelopment plans, and proposed amendments to a redevelopment plan pertaining to new proposed uses or changes to existing uses, received on or after July 24, 2008 and remain in effect until the NJMC promulgates new regulations concerning affordable housing, or the Policies are withdrawn or rescinded by Commission action or court order, whichever occurs first; and

WHEREAS, the Interim Policies set forth the criteria for a Review Team, comprised of three NJMC staff members including one New Jersey-licensed professional engineer and one New Jersey-licensed professional planner, and also a professional planner representing the municipality in which the proposed development is located, to review each applicable application to determine the suitability of the subject site for residential use; and

WHEREAS, a zoning certificate application was submitted to the NJMC on December 5, 2013, by Kristine Kalfas on behalf of Hartz Mountain Industries, Inc., for the premises identified as 34 Meadowland Parkway, Block 101, Lot 8, in the Town of Secaucus, New Jersey, and which is located in the Neighborhood Commercial zone; and

WHEREAS, the subject application proposes the construction of a 72,284-square foot residential building with 65 units, including 13 affordable units and, as such, is not exempt from the Interim Policies; and

WHEREAS, the application was forwarded to the Review Team for review of the application in accordance with the Interim Policies; and

WHEREAS, the Review Team evaluated the suitability of the subject property taking into consideration the specific application submitted for construction of the proposed residential development; and

WHEREAS, a suitability review, dated February 6, 2014, and attached hereto, has been prepared, indicating the recommendation of the Review Team in this matter; and

WHEREAS, on February 26, 2014, the New Jersey Meadowlands Commission approved Resolution No. 14-10 and deemed the subject property to be suitable for housing; and

WHEREAS, the applicant submitted additional information to the NJMC on February 21, 2014, and March 28, 2014, that results in the need for further clarification of the suitability review; and

WHEREAS, a suitability review, dated February 6, 2014, revised on April 2, 2014, and attached hereto, has been prepared, indicating the recommendation of the Review Team in this matter; and

WHEREAS, the revised suitability review recommends that the subject property be deemed suitable for residential use, subject to certain conditions, as listed below; and

WHEREAS, the members of the NJMC have reviewed the revised suitability review and recommendation prepared by the Review Team, regarding the subject property; and

WHEREAS, the members of the NJMC concur with the recommendation of the Review Team; and

WHEREAS, the NJMC hereby determines that the subject property is deemed suitable for residential use, subject to the conditions listed below.

NOW, THEREFORE, BE IT RESOLVED, by the New Jersey Meadowlands Commission, that the subject property located at 34 Meadowland Parkway, Block 101, Lot 8, in the Town of Secaucus, is deemed suitable for residential use, subject to the following conditions:

1. If approved, any future zoning certificates issued shall include a reference to any NJDEP-required deed notice and any conditions therein relative to a residential use on the site.
2. Prior to the issuance of any zoning certificate for residential use on the subject property, the applicant shall provide the NJMC with a certification from their Licensed Site Remediation Professional (LSRP) regarding the status of the termination of the existing Deed Notice, the new Deed Notice, and the proposed engineering and institutional controls.
3. Prior to the issuance of any temporary or final certificate of completion and/or occupancy approval for any residential development on the subject property, the applicant shall provide the NJMC with a copy of the NJDEP approval of the Termination of Deed Notice.
4. The applicant shall provide to the NJMC copies of all correspondence with the NJDEP regarding the Deed Notice, including, but not limited to, the Remedial Action Report, the Termination of Deed Notice forms, the new Deed Notice and any NJDEP responses thereto.
5. The applicant shall be required to satisfy the project's affordable housing requirements as per Section VII(a) of the Interim Policies or as required by law.

BE IT FURTHER RESOLVED, by the New Jersey Meadowlands Commission, that Resolution No 14-10 is hereby superseded by the current Resolution; and

BE IT FURTHER RESOLVED, by the New Jersey Meadowlands Commission, that failure by any developer(s) to abide by the conditions stated herein shall render this site suitability determination null and void.

The foregoing was adopted on Commission vote.



Paul Macchia
Acting Chairman

I hereby certify the foregoing to be a true copy of the Resolution adopted by the New Jersey Meadowlands Commission at its meeting of April 23, 2014.



Marcia A. Karrow
Secretary

Resolution No. 14-17

Motion Second Roll Call

Memorandum

New Jersey Meadowlands Commission



To: NJMC Commissioners and Marcia A. Karrow, Executive Director

From: Sara J. Sundell

Date: April 23, 2014

Subject: Revised Site Suitability Recommendation for Block 101, Lot 8, in the Town of Secaucus (File No. 13-801)

In a decision dated May 21, 2007 (A-4174-03T3; A-3107-04T1), the Appellate Division of the New Jersey Superior Court determined, among other things, that the New Jersey Meadowlands Commission (NJMC) should consider whether new development in the Meadowlands District should be avoided until the Commission implements new rules concerning affordable housing. The Commission followed up by adopting Resolution No. 07-68, on July 25, 2007, which approved the "Policy Statement Regarding the NJMC's Expanded Responsibilities to Plan and Zone for Affordable Housing." Thereafter, on July 23, 2008, the Commission adopted Resolution No. 08-80, which approved the "Interim Policies Governing Affordable Housing Development in the Meadowlands District," which was last revised by Resolution No. 11-29 on July 27, 2011, in order to govern the review of and restraints upon applications for further development in the Meadowlands District in a manner consistent with regulatory and statutory changes regarding affordable housing, prior to the implementation of new regulations regarding same.

The Interim Policies apply to all zoning certificate applications, petitions to amend the Official Zoning Map, new redevelopment plans, and proposed amendments to a redevelopment plan pertaining to new proposed uses or changes to existing uses, received on or after July 24, 2008, and will remain in effect until the NJMC promulgates new regulations concerning affordable housing, or the Interim Policies are withdrawn or rescinded by Commission action or court order, whichever occurs first. The Interim Policies set forth the criteria for a Review Team, comprised of three NJMC staff members, including one New Jersey-licensed professional engineer and one New Jersey-licensed professional planner, and also a professional planner representing the municipality in which the proposed development is located, to review each applicable application to determine the suitability of the subject site for residential use.

The NJMC received an application for the construction of an approximately 72,284-square foot residential building with 65 units, including 13 affordable

units, on the premises identified as 34 Meadowland Parkway, Block 101, Lot 8, in Secaucus, New Jersey.

The matter was forwarded to the Review Team for review of the proposed development in accordance with the Interim Policies. A suitability review, dated February 6, 2014, was prepared, indicating that the Review Team recommends that the subject property be deemed suitable for residential use. However, after the NJMC Board of Commissioners approved Resolution 14-10, on February 26, 2014, the applicant submitted to the NJMC additional information regarding the subject property. On February 21, 2014, a Project Impact Assessment (PIA) was provided by the applicant, which indicates that there is a deed restriction for residential use on the property, which the applicant is seeking to have lifted. On March 28, 2014, the applicant submitted a copy of a NJDEP No Further Action (NFA) and Covenant Not to Sue (CNS) letter, dated October 1, 2008 and the referenced Deed Restriction. The additional information provided by the applicant regarding the subject property results in the need for further clarification of the suitability review.

At this time, the NJMC staff is recommending that the members of the NJMC concur with the revised site suitability recommendation prepared by the Review Team, which determines that the subject property be deemed suitable for residential use, subject to certain conditions listed therein.



Suitability Review – Summary (revised)

File No. 13-801

Hess/New Residential Development & Variance

Block 101, Lot 8, in the Town of Secaucus

February 6, 2014, revised April 1, 2014

A zoning certificate application (File No. 13-801) was submitted to the NJMC by Kristine Kalfas on behalf of Hartz Mountain Industries, Inc., for the premises identified as 34 Meadowland Parkway, Block 101, Lot 8, in the Town of Secaucus, New Jersey. The application proposes the construction of a 72,284-square foot residential building with 65 units, including 13 affordable units, on the subject property.

The subject property is located in the Neighborhood Commercial zone and, as such, is not exempt from the site suitability review process. In keeping with the review process, the site characteristics of the property have been evaluated in accordance with the "*Interim Policies Governing Affordable Housing Development in the Meadowlands District*," adopted by the NJMC on July 24, 2008, and last revised on July 27, 2011.

Proposed Use

The applicant proposes to construct a 64-unit multi-family dwelling, including 13 affordable units, on Block 101, Lot 8. Residential dwellings are only permitted in the Neighborhood Commercial zone when they are accessory to a permitted use. As such, the proposed use is not permitted in the zone.

In accordance with Section IV(c)1 of the Interim Policies, the criteria to deem a site suitable for housing are as follows:

- i. **The site is adjacent to compatible land uses and has access to appropriate streets.**
 - The subject property is located within the Neighborhood Commercial zone. Existing uses within the Neighborhood Commercial zone are predominantly residential, with a few commercial and retail businesses located in the vicinity.
 - The surrounding development pattern is compatible for the development of residential uses, due to the predominance of existing residential uses in the area.



- As Meadowland Parkway is a heavily-trafficked arterial roadway, residential access to the subject property should be limited to the local streets along the eastern side of the site, Tenth Street and Front Street.
- ii. **The site has access to water and sewer infrastructure with sufficient capacity.**
- The area surrounding the subject property is fully developed. Former structures on the subject property were connected to existing utilities prior to their demolition.
 - This criteria is met by the subject property.
- iii. **The site can be developed consistent with the rules of the NJMC.**
- The existing property is vacant, with no buildings or structures or significant limitations that would preclude the development of the site consistent with the rules of the NJMC.
 - This criteria is met by the subject property.
- iv. **Former and existing land uses, either on the site or in the vicinity, may not expose residents to environmental hazard. Alternatively, the site shall be remediated to NJDEP residential standards as a condition of the Board's approval. (revised as follows)**
- Additional information was provided by the applicant in the form of a Project Impact Assessment (PIA), prepared by Phillips Preiss Grygiel LLC, dated February 2014 and received by the NJMC on February 21, 2014. Received after the date of this initial Site Suitability Summary (February 6, 2014), the PIA states that the subject property was the site of a former truck repair facility for the Amerada Hess Corporation and references Phase I and Phase II environmental assessment reports that were prepared for the property.
 - The PIA states that "residual amounts of contamination were found in the historic fill that are in excess of state standards. The applicant, Hartz Mountain Industries, will take steps to remediate the site. There is a deed restriction for residential use on the property, which the applicant is seeking to have lifted."
 - In addition, the PIA states that "according to the NJDEP 'Data Miner' database, as of October 1, 2008, the case status of the Project Area is listed as 'completed- entire site restricted use...'"



- A copy of a NJDEP No Further Action (NFA) and Covenant Not to Sue (CNS) letter, dated October 1, 2008, was submitted on March 27, 2014, (see attached) in response to a request by the NJMC.
- A copy of an NJDEP-required Deed Notice that restricts residential use on the site, dated January 4, 2008, and filed in the Hudson County Register of Deeds on January 22, 2008, was also submitted on March 27, 2014 (see attached) in response to a request by the NJMC.
- According to the information provided in the Deed Notice, the New Jersey Department of Environmental Protection (NJDEP) approved a remedial action for the site on April 12, 2007.
- The Deed Notice states that "...soil contamination remains in certain areas of the Property which contains contaminants in concentrations that do not allow for the unrestricted use of the Property..." resulting in a statutory requirement for the Deed Notice that restricts residential use on the site.
- Item (A)2 in Exhibit C-1 of the Deed Notice, states, under a section entitled, "Restrictions;" that "The use of the Property shall be restricted to non-residential uses only and pursuant to paragraph 6A and 6B of the Deed Notice." In addition, the section entitled, "Objective;" states that "the objective of the deed notice is to limit use of the Restricted Area relative to the potential for human exposure to soil contamination through direct contact with the contaminated soil beneath the protective caps and the Restricted Area."
- In a letter to the NJMC dated March 27, 2014, the applicant asserts that Hartz Mountain Industries is working with Hess Corporation, the property owner, to request that the NJDEP allow for the termination of the current Deed Notice and to record a new Deed Notice that will allow residential development on the property along with the installation of the proper engineering controls. The applicant indicates that the current site features, pavement and the concrete building foundation footprint will comprise the engineering controls. However, it is noted that the Termination of Deed Notice, based on proposed engineering controls, has not yet been approved by the NJDEP.
- Significant evidence is provided that limits the future use of the property to non-residential uses only, and as such, this criteria is not specifically met by the subject property at the present time. However, since the applicant had asserted that, under the direction of an Licensed Site Remediation Professional (LSRP), they intend to apply for a Termination of Deed Notice from the NJDEP in order to remove the restriction regarding residential use on the site, the conditional approval of this specific criteria for the suitability of the site for



residential use is appropriate pending the approval of the Termination of Deed Notice for the site by the NJDEP.

- Note that the NJMC will not issue zoning certificate approval for residential use until such time that the applicant provides a certification from their LSRP regarding the status of the new Deed Notice, and the engineering and institutional controls proposed to safely protect residents from exposure to contaminants.
- v. **The size, shape, or layout of any existing structure that shall remain, or other physical limitation(s) not listed previously, do not preclude residential use.**
- There are no existing structures on the subject property. The existing property is vacant, with no buildings or structures or significant limitations that would preclude the development of the site consistent with the rules of the NJMC.
 - This criteria is met by the subject property.
- vi. **The site is suitable for residential use pursuant to sound planning principles.**
- In the Neighborhood Commercial zone, residential uses are only allowed when accessory to a permitted use. Although the proposed residential use is proposed as principle use, and not accessory to a permitted use, in the Neighborhood Commercial zone, a solely residential structure would be compatible within the context of the existing neighborhood.
 - The subject property is located along the border of an existing residential neighborhood, including high-density residential, single-family and multi-family residences situated to the south and east of the site.
 - The property fronts along both Meadowland Parkway and Tenth Street, providing a distinct separation between the existing residential neighborhood and the commercial facilities located along Meadowland Parkway.
 - The required first floor elevation, based on FEMA base-flood elevation requirements and NJMC regulations, will be higher than the adjacent streets, which is not conducive to attract walk-in patrons to non-residential uses, if such were to be proposed at the subject site. The subject property is located within a walkable distance from local retail stores, recreational facilities, and other public amenities.



In summary, all of the above criteria, as per Section IV(c)1 of the Interim Policies, apply, or conditionally apply as state above, to the subject property.

Conclusion

The subject property, located at 34 Meadowland Parkway, Block 101, Lot 8, in the Town of Secaucus, is recommended to be deemed suitable for housing, subject to the following conditions recommended by the Review Team:

1. If approved, any future zoning certificates issued shall include a reference to any NJDEP-required deed notice and any conditions therein relative to a residential use on the site.
2. Prior to the issuance of any zoning certificate for residential use on the subject property, the applicant shall provide the NJMC with a certification from their Licensed Site Remediation Professional (LSRP) regarding the status of the termination of the existing Deed Notice, the new Deed Notice, and the proposed engineering and institutional controls.
3. Prior to the issuance of any temporary or final certificate of completion and/or occupancy approval for any residential development on the subject property, the applicant shall provide the NJMC with a copy of the NJDEP approval of the Termination of Deed Notice.
4. The applicant shall provide to the NJMC copies of all correspondence with the NJDEP regarding the Deed Notice, including, but not limited to, the Remedial Action Report and the Termination of Deed Notice forms, the new Deed Notice and any NJDEP responses thereto.
5. The applicant shall be required to satisfy the project's affordable housing requirements as per Section VII(a) of the Interim Policies or as required by law.

Failure by any developer(s) to abide by any and all of the conditions herein shall render this site suitability determination null and void.

Contingent upon the approval, with conditions, of this recommendation by the NJMC Board of Commissioners, the review of the submitted zoning certificate application for the proposed construction of a 72,284 square foot residential building with 65 units, including 13 affordable units, may proceed for this site.



Jon S. Corzans
Governor

State of New Jersey
DEPARTMENT OF ENVIRONMENTAL PROTECTION
Northern Bureau of Field Operations
7 Ridgefield Avenue
Chlor-Kent, New Jersey 07927
(973) 631-4401

LISA R. JACKSON
Commissioner

October 1, 2008

RECEIVED
NJ M C
MAR 28 2014
LAND USE MANAGEMENT

Mr. Frank Sanelment
Amenda Hess Corporation
1 Hess Plaza
Woodbridge, NJ 07093

Re: Conditional No Further Action Letter and Covenant Not To Sue
with Requirements for Biennial Certifications
Restricted Use for the Entire Site
Amenda Hess Truck Service Facility, 34 Meadowlands Parkway, Secaucus, Hudson County
Block 101, Lot 8
Preferred ID # 237091, Activity Reference # BECO040001
Communication # 04-07-21-0855-02, File # 08-09-131

Dear Mr. Sanelment:

Pursuant to N.J.S.A. 58:10B-13.1 and N.J.A.C. 7:26C, the New Jersey Department of Environmental Protection (Department) issues this Conditional No Further Action Letter and Covenant Not To Sue for the remediation of the site specifically referenced above, so long as Amenda Hess Corporation did not withhold any information from the Department. This action is based upon information in the Department's case file and Mr. Frank Sanelment's Amenda Hess final certified report dated February 25, 2008. In issuing this Conditional No Further Action Determination and Covenant Not to sue, the Department has relied upon the certified representations and information provided to the Department. To remain in compliance with the terms of this Conditional No Further Action Letter and to maintain the benefits of the Covenant Not to Sue, Amenda Hess as well as each subsequent owner, lessee and operator must comply with the conditions noted below.

By issuance of this No Further Action Determination, the Department acknowledges the completion of a Preliminary Assessment, Site Investigation, Remedial Investigation and Remedial Action pursuant to the Technical Requirements for Site Remediation (T.S.R.), N.J.A.C. 7:26B) for the entire site. The Department reserves its rights to require any person responsible for the contamination at the site to address Natural Resource Injuries.

NO FURTHER ACTION CONDITIONS

Pursuant to N.J.S.A. 58:10B-12a, Amenda Hess Corporation and any other person who was liable for the cleanup and removal costs, and remains liable pursuant to the Spill Act, shall inform the Department in writing within 14 calendar days whenever its name or address changes. Any notices submitted pursuant to the paragraph shall reference the above case number and shall be sent to Bureau of Case Assignment and Field Notice - Case Assignment Section, P. O. Box 424, Trenton, NJ 08625-0424.

Amenda Hess Corporation, as well as each subsequent owner, lessee and operator (collectively Successors) shall comply with each of the following:

New Jersey's Air Equal Opportunity Developer • Printed on Recycled Paper and Kraftline

Dead Notice

Pursuant to N.J.S.A. 58:10B-13a, Amenda Hess and the Successors shall ensure that the Dead Notice Filed on January 22, 2008 with Hudson County Recording Office is complied with including maintenance of applicable engineering controls. The Dead Notice can be found at Recording Book 08426, starting at page 0005 at the Hudson County Recording Office.

Monitoring of Compliance

Pursuant to N.J.S.A. 58:10B-13.1 and N.J.A.C. 7:26E-4, Amenda Hess Corporation and the successors shall conduct monitoring of compliance and effectiveness of the institutional and engineering control(s) specified in this document and submit written certification to the Department every two (2) years that the institutional and engineering control(s) are being properly maintained and continue to be protective of public health and safety and the environment. Any such certification shall include the information relied upon to determine that no changes have occurred.

Well Sealing

Pursuant to N.J.S.A. 58:4A, Amenda Hess Corporation shall properly seal all monitoring/temporary wells installed as part of a remediation that will no longer be used for ground water monitoring. A certified and licensed well driller shall seal the wells in accordance with the requirements of N.J.A.C. 7:2D-9.1 (a) (5)(b). The well abandonment permit form shall be completed and submitted to the Bureau of Water Systems and Well Permitting. Please call (609) 984-6331 for forms and information.

COVENANT NOT TO SUE

The Department issues this Covenant Not to Sue (Covenant) pursuant to N.J.S.A. 58:10B-13.1. That statute requires a covenant not to sue with each no further action letter. However, in accordance with N.J.S.A. 58:10B-13.1, nothing in this Covenant shall benefit any person who is liable pursuant to the Spill Act, Compensation and Control Act (Spill Act), N.J.S.A. 58:10-23.1, for cleanup and removal costs and the Department makes no representation by the issuance of this Covenant, either express or implied, as to the Spill Act liability of any person.

The Department covenants, except as provided in the preceding paragraph, that it will not bring any civil action against:

- (a) the person who undertook the remediation;
- (b) subsequent owners of the subject property;
- (c) subsequent lessors of the subject property; and
- (d) subsequent operators of the subject property.

for the purposes of requiring remediation to address contamination which existed prior to the date of the final certified Remedial Action Report dated February 20, 2008 for the real property at area of concern identified above, including payment of compensation for damages to, or loss of, natural resources for the restoration of natural resources in connection with the discharge on the property or the payment of cleanup and removal costs for such additional remediation.

The person who undertook the remedial action, and each subsequent owner, lessee and operator, during that person's ownership, tenancy or operation, shall maintain those controls and conduct periodic compliance monitoring in the manner the Department requires.

Any person who may benefit from this Covenant is barred from making a claim against the Spill Compensation Fund, N.J.S.A. 58:10-23.11; and the Sanitary Landfill Facility Contingency Fund, N.J.S.A. 13:1B-105, for any costs or damages relating to the remediation covered by this Covenant. All other claims against these funds will be controlled by the corresponding statutes and their implementing regulations.

Any person who may benefit from this Covenant is barred from making a claim against the Spill Compensation Fund, N.J.S.A. 58:10-23.11; and the Sanitary Landfill Facility Contingency Fund, N.J.S.A. 13:1B-105, for any costs or damages relating to the remediation covered by this Covenant if the Department required additional remediation in order to remove the institutional control. All other claims against these funds will be controlled by the corresponding statutes and their implementing regulations.

Pursuant to N.J.S.A. 58:10B-13.16, this Covenant does not relieve any person from the obligation to comply in the future with laws and regulations. The Department reserves its right to take all appropriate enforcement for any failure to do so.

The Department may revoke this Covenant at any time after providing notice upon its determination that either:

- a) any person with the legal obligation to comply with any condition in this No Further Action Letter has failed to do so;
- b) i. any person with the legal obligation to maintain or monitor any engineering or institutional control has failed to do so; or
ii. any person with the legal obligation to act on, on a biennial basis, a certification that the engineering and institutional controls are being properly maintained and continue to be protective of the public health and safety and of the environment has failed to do so.

This Covenant Not to Sue, which the Department has executed in duplicate, shall take effect immediately once the person who undertook the remediation has signed and dated the Covenant Not to Sue in the lines specified below and the Department has received one copy of this document with original signatures of the Department and the person who undertook the remediation.

By: Mr. Frank Samolant
Amorita Hess Corporation

Signature: _____

Title: _____

Date: _____

NJW EHS&S DEPARTMENT OF
ENVIRONMENTAL PROTECTION

By: Yaacoub E. Yacoub

Signature: 

Chief, Bureau of Field Operations

Date: 10-01-08

Thank you for your attention to these matters. If you have any questions, please contact, A. J. Jochi at (973) 656-4427.

Sincerely,


Yaacoub E. Yacoub, Chief
Bureau of Field Operations

Newfield
Rob Hoeh, NJDEP-BONM
Sandra Norton, NJDEP-318PS
Suzanne Katarzinski, Clerk
Suzanne Beckle, Department
File # 09-09-131

5B. **ENGINEERING CONTROLS.** Due to the pressure and concentration of these contaminants, the Owner has also agreed, as part of the remedial action for the Property, to the placement of certain engineering controls on the Property; a narrative description of these engineering controls, along with the associated monitoring and maintenance activities and the biennial certification requirements are provided in Exhibit C.

6A. ALTERATIONS, IMPROVEMENTS, AND DISTURBANCES.

1. Except as provided in Paragraph 6B, below, no person shall make, or allow to be made, any alteration, improvement, or disturbance in, to, or about the Property which disturbs any engineering control at the Property without first obtaining the express written consent of the Department of Environmental Protection. Nothing herein shall constitute a waiver of the obligation of any person to comply with all applicable laws and regulations including, without limitation, the applicable rules of the Occupational Safety and Health Administration. To request the consent of the Department of Environmental Protection, contact:

Department of Environmental Protection
Division of Remediation Management and Response
Bureau of Operation, Maintenance, and Monitoring
Dead Notice Inspection Program
P.O. Box 413
401 E. State Street
Trenton, NJ 08625-0413

ii. Notwithstanding subparagraph 6A.i. above, the Department of Environmental Protection's express written consent is not required for any alteration, improvement, or disturbance provided that the owner, lessee or operator:

- (A) Notifies the Department of Environmental Protection of the activity by calling the DEP Hotline at 1-877-WARN-DEP or 1-877-927-6337, within twenty-four (24) hours after the beginning of each alteration, improvement, or disturbance;
- (B) Restores any disturbance of an engineering control to pre-disturbance conditions within sixty (60) calendar days after the initiation of the alteration, improvement or disturbance;
- (C) Ensures that all applicable worker health and safety laws and regulations are followed during the alteration, improvement, or disturbance, and during the restoration;
- (D) Ensures that exposure to contamination in excess of the applicable remediation standards does not occur;
- (E) Submits a written report, describing the alteration, improvement, or disturbance, to the Department of Environmental Protection within sixty (60) calendar days after the end of each alteration, improvement, or disturbance. The owner, lessee or operator shall

EK 08426 PG 0037

include in the report the nature of the alteration, improvement, or disturbance, the dates and duration of the alteration, improvement, or disturbance, the name of key individuals and their affiliations conducting the alteration, improvement, or disturbance, a description of the notice the Owner gave to those persons prior to the disturbance, the amount of soil generated for disposal, if any, the final disposition and any precautions taken to prevent exposure. The owner, lessee, or operator shall submit the report to:

Department of Environmental Protection
Division of Remediation Management and Response
Bureau of Operation, Maintenance, and Monitoring
Dead Notice Inspection Program
P.O. Box 413
401 E. State Street
Trenton, NJ 08625-0413

6B. **EMERGENCIES.** In the event of an emergency which presents or may present an unacceptable risk to the public health and safety, or to the environment, any person may temporarily breach any engineering control provided that that person complies with each of the following:

- i. Immediately notifies the Department of Environmental Protection of the emergency, by calling the DEP Hotline at 1-877-WARN-DEP or 1-877-927-6337;
- ii. Limits both the actual disturbance and the time needed for the disturbance to the minimum reasonably necessary to adequately respond to the emergency;
- iii. Implements all measures necessary to limit actual or potential, present or future risk of exposure to humans or the environment to the combination;
- iv. Notifies the Department of Environmental Protection when the emergency has ended by calling the DEP Hotline at 1-877-WARN-DEP or 1-877-927-6337;
- v. Restores the engineering control to the pre-emergency conditions as soon as possible, and provides a written report to the Department of Environmental Protection of such emergency and restoration efforts within sixty (60) calendar days after completion of the restoration of the engineering control. The report must include all information pertinent to the emergency, potential discharges of contaminants, and restoration measures that were implemented, which, at a minimum, should specify: (a) the nature and likely cause of the emergency; (b) the potential discharges of or exposures to contaminants. If any, that may have occurred; (c) the measures that have been taken to mitigate the effects of the emergency on human health and the environment; (d) the measures completed or implemented to restore the engineering control; and (e) the changes to the engineering control or the operator and maintenance plan to prevent recurrence of such conditions in the future. The owner, lessee, or operator shall submit the report to:

EK 08426 PG 0038

Department of Environmental Protection
Division of Remediation Management and Response
Bureau of Operation, Maintenance, and Monitoring
Dead Notice Inspection Program
P.O. Box 413
401 E. State Street
Trenton, NJ 08625-0413

7A. MONITORING AND MAINTENANCE OF DEAD NOTICE, AND PROTECTIVE/BUSINESS CERTIFICATION. The persons in any way responsible pursuant to the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11a et seq., for the hazardous substances that remain at the Property, the persons responsible for conducting the remediation, the Owner, and the subsequent owners, lessees, and operators, shall monitor and maintain this Dead Notice, and certify to the Department on a biennial basis that the remedial action that includes this Dead Notice remains protective of the public health and safety and of the environment. The subsequent owners, lessees and operators have the obligation only during their ownership, tenancy, or operation. The specific obligations to monitor and maintain the dead notice shall include all of the following:

i. Monitoring and maintaining the Dead Notice according to the requirements in Exhibit C, to ensure that the remedial action that includes the Dead Notice continues to be protective of the public health and safety and of the environment;

ii. Conducting any additional remedial investigations and implement any additional remedial actions, that are necessary to correct, mitigate, or abate such problem related to the protectiveness of the remedial action for the site prior to the date that the certification is due to the Department pursuant to III, below, in order to ensure that the remedial action that includes this Dead Notice remains protective of the public health and safety and of the environment.

iii. Certify to the Department of Environmental Protection as to the continued protectiveness of the remedial action that includes this Dead Notice, on a form provided by the Department and consistent with N.J.A.C. 7:26C-1.2 (g) 1, every two years on the anniversary of the date stamped on the dead notice that indicates when the dead notice was recorded.

7B. MONITORING AND MAINTENANCE OF ENGINEERING CONTRACTS, AND PROTECTIVE/BUSINESS CERTIFICATION. The persons to any way responsible, pursuant to the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11a et seq., for the hazardous substances that remain at the Property, the person responsible for conducting the remediation, and, the Owner, and the subsequent owners, lessees, and operators, shall maintain all engineering controls at the Property and certify to the Department on a biennial basis that the remedial action of which each engineering control is a part remains protective of the public health and safety and of the environment. The subsequent owners, lessees and operators have this obligation only

EK # 03426 PG # 00039

during their ownership, tenancy, or operation. The specific obligations to monitor and maintain the engineering controls shall include the following:

i. Monitoring and maintaining each engineering control according to the requirements in Exhibit C, to ensure that the remedial action that includes the engineering control continues to be protective of the public health and safety and of the environment;

ii. Conducting any additional remedial investigations and implement any additional remedial actions, that are necessary to correct, mitigate, or abate such problem related to the protectiveness of the remedial action for the Property prior to the date that the certification is due to the Department pursuant to III, below, in order to ensure that the remedial action that includes the engineering control remains protective of the public health and safety and of the environment.

iii. Certify to the Department of Environmental Protection as to the continued protectiveness of the remedial action that includes the engineering control, on a form provided by the Department and consistent with N.J.A.C. 7:26C-1.2 (g) 1, every two years on the anniversary of the date stamped on the dead notice that indicates when the dead notice was recorded.

8. ACCESS. The Owner and the subsequent owners, lessees and operators agree to allow the Department, its agents and representatives access to the Property to inspect and evaluate the continued protectiveness of the remedial action that includes this Dead Notice and to conduct additional remediation to ensure the protection of the public health and safety and of the environment if persons responsible for monitoring the protectiveness of the remedial action, as described in Paragraph 7, above, fail to conduct such remediation pursuant to this Dead Notice as required by law. The Owner, and the subsequent owners and lessees, shall also cause all leases, subleases, grants, and other written transfers of an interest in the Restricted Areas to contain a provision expressly requiring that all holders thereof provide such access to the Department.

9. NOTICES.

i. The Owner and the subsequent owners and lessees, shall cause all leases, grants, and other written transfers of an interest in the Restricted Areas to contain a provision expressly requiring all holders thereof to take the Property subject to the restrictions contained herein and to comply with all, and not to violate any of the conditions of this Dead Notice. Nothing contained in this Paragraph shall be construed as limiting any obligation of any person to provide any notice required by any law, regulation, or order of any governmental authority.

ii. Owner and all subsequent owners and lessees shall notify any person, intending to conduct investigative work or excavate within the Restricted Areas at the Property, including, without limitation, tenants, employees of tenants, and contractors of the nature and location of contamination in the Restricted Areas, and, of the precautions necessary to minimize potential human exposure to contaminants.

iii. The Owner and the subsequent owners shall provide written notice to the Department of Environmental Protection at least thirty (30) calendar days before the effective date of any

EK # 03426 PG # 00040

conveyance, grant, gift, or other transfer, in whole or in part, of the owner's interest in the Restricted Area.

iv. The Owner and the subsequent owners shall provide written notice to the Department within thirty (30) calendar days following the owner's petition for or filing of any document initiating a recording of the Property. The Owner and the subsequent owners shall submit the written notice to:

Department of Environmental Protection
Division of Remediation Management and Response
Bureau of Operation, Maintenance, and Monitoring
Deed Notice Inspection Program
P.O. Box 413
401 E. State Street
Trenton, NJ 08625-0413.

10. ENFORCEMENT OF VIOLATIONS.

i. This Deed Notice itself is not intended to create any interest in real estate in favor of the Department of Environmental Protection, nor to create a lien against the Property, but merely is intended to provide notice of certain conditions and restrictions on the Property and to reflect the regulatory and statutory obligations imposed as a conditional remedial action for this site.

ii. The restrictions provided herein may be enforceable solely by the Department against any person who violates this Deed Notice. To enforce violations of this Deed Notice, the Department may initiate one or more enforcement actions pursuant to N.J.S.A. 58:10-23.11a and require additional remediation and assess damages pursuant to N.J.S.A. 58:10-23.11g.

11. SEVERABILITY. If any court of competent jurisdiction determines that any provision of this Deed Notice requires modification, such provision shall be deemed to have been modified automatically to conform to such requirements. If a court of competent jurisdiction determines that any provision of this Deed Notice is invalid or unenforceable and the provision is of such a nature that it cannot be modified, the provision shall be deemed deleted from this instrument as though the provision had never been included herein. In either case, the remaining provisions of this Deed Notice shall remain in full force and effect.

12. SUCCESSORS AND ASSIGNS. This Deed Notice shall be binding upon Owner and upon Owner's successors and assigns, and subsequent owners, lessors and operators while each is an owner, lessee, or operator of the Property.

13. MODIFICATION AND TERMINATION.

i. Any person may request in writing, at any time, that the Department modify this Deed Notice where performance of subsequent remedial actions, a change of conditions at the Property, or the adoption of revised remediation standards suggest that modification of the Deed Notice would be appropriate.

ii. Any person may request in writing, at any time, that the Department terminate this Deed Notice because its conditions which triggered the need for this Deed Notice are no longer applicable.

iii. This Deed Notice may be revised or terminated only upon filing of an instrument, executed by the Department, in the office of the Register of Deeds and Mortgages of Hudson County, New Jersey, expressly modifying or terminating this Deed Notice.

14A. EXHIBIT A. Exhibit A includes the following maps of the Property and the vicinity:

i. Exhibit A-1: Vicinity Map - A map that identifies by name the roads and other important geographical features in the vicinity of the Property (for example, Haddon County Maps).

ii. Exhibit A-2: Metes and Bounds Description - A metes and bounds description of the Property, including reference to tax lot and block numbers for the Property.

iii. Exhibit A-3: Property Map - A scaled map of the Property, scaled at one inch to 200 feet or less, and if more than one map is submitted, the maps shall be presented as overlays, keyed to a base map; and the Property Map shall include diagrams of major surface topographical features such as buildings, roads, and parking lots.

14B. EXHIBIT B. Exhibit B includes the following descriptions of the Restricted Areas:

i. Exhibit B-1: Restricted Area Map - A separate map for each restricted area that includes:

(A) As-built diagrams of each engineering control, including caps, fences, slurry walls, ground water monitoring wells, and ground water pumping system;

(B) As-built diagrams of any buildings, roads, parking lots and other structures that function as engineering controls; and

(C) Designation of all soil and sediment sample locations within the restricted areas that exceed any soil or sediment standard that are keyed into one of the tables described in the following paragraph.

ii. Exhibit B-2: Restricted Area Data Table - A separate table for each restricted area that includes:

(A) Sample location designation from Restricted Area map (Exhibit B-1);

(B) Sample elevation based upon mean sea level;

(C) Name and chemical abstract service registry number of each contaminant with a concentration that exceeds the unrestricted use standard;

(D) The restricted and unrestricted use standards for each contaminant in the table and

(E) The remaining concentration of each contaminant at each sample location at each elevation (see Historic Fill, Inland data from the Department's default concentrations at N.J.A.C. 7:26B-4.6, Table 4-2).

14C. EXHIBIT C. Exhibit C--Includes narrative descriptions of institutional controls as follows:

1. Exhibit C-1: Deed Notifies as Institutional Control: Exhibit C-1 includes a narrative description of the restriction and obligations of this Deed Notice that are in addition to those describe above, are as follows:

(A) General Description of this Deed Notice:

(1) Description and estimated size of the Restricted Areas as described above;

(2) Description of the restrictions on the Property by operation of this Deed Notice; and

(3) The objective of the restrictions.

(B) Description of the monitoring necessary to determine whether:

(1) Any disturbance of the soil in the Restricted Areas did not result in the unacceptable exposure to the soil contamination;

(2) There have been any land use changes subsequent to the filing of this Deed Notice or the most recent biennial certification, whichever is more recent;

(3) The current land use on the Property is consistent with the restrictions in this Deed Notice;

(4) Any newly promulgated or modified requirements of applicable regulations or laws apply to the site; and

(5) Any new standards, regulations, or laws apply to the site that might necessitate additional sampling in order to evaluate the protectiveness of the remedial action which includes this Deed Notice, and conduct the necessary sampling.

(C) Description of the following items that will be included in the biennial certification:

BK = 08426 PG = 00043

(1) A monitoring report that describes the specific activities pursuant to (A) and (B) above, conducted in support of the biennial certification of the protectiveness of the remedial action that includes this Deed Notice;

(2) Land use at the Property is consistent with the restrictions in this Deed Notice; and

(3) The remedial action that includes this Deed Notice continues to be protective of the public health and safety and of the environment.

ii. Exhibit C-2: Modified Soil Protective Capping System Exhibit C-2 includes a narrative description of the Modified Soil Protective Capping System as follows:

(A) General Description of the engineering control:

(1) Description of the engineering control;

(2) The objective of the engineering control; and

(3) How the engineering control is intended to function.

(B) Description of the operation and maintenance necessary to ensure that

(1) Periodic inspections of each engineering control are performed in order to determine its integrity, operability, and effectiveness;

(2) Each engineering control continues as designed and intended to protect the public health and safety and the environment;

(3) Each alteration, excavation or disturbance of any engineering control is timely and appropriately addressed to maintain the integrity of the engineering control;

(4) This engineering control is being inspected and maintained and its integrity remains so that the remedial action continues to be protective of the public health and safety and of the environment;

(5) A record of the self-inspection dates, name of the inspector, results of the inspection and condition(s) of this engineering control. Sampling, for example, may be necessary if it is not possible to visually evaluate the integrity/performance of this engineering control; and

(6) Any new standards, regulations, or laws apply to the site that might necessitate additional sampling in order to evaluate the protectiveness of the remedial action which includes this Deed Notice, and conduct the necessary sampling.

(C) Description of the following items that will be included in the biennial certification:

BK = 08426 PG = 00044

(1) A monitoring report that describes the specific activities, pursuant to (A) and (B), above, conducted in support of the biennial certification of the protectiveness of the remedial action that includes this Deed Notice;

(2) The engineering controls continue to operate as designed; and

(3) The remedial action that includes the engineering control continues to be protective of the public health and safety and of the environment.

ii. Exhibit C-3: Asphalt Protective Capping System: Exhibit C-2 includes a narrative description of the Asphalt Protective Capping System as follows:

(A) General Description of the engineering control:

(1) Description of the engineering control;

(2) The objective of the engineering control; and

(3) How the engineering control is intended to function.

(B) Description of the operation and maintenance necessary to ensure that:

(1) Periodic inspections of each engineering control are performed in order to determine its integrity, operability, and effectiveness;

(2) Each engineering control continues as designed and intended to protect the public health and safety and the environment;

(3) Each alteration, excavation or disturbance of any engineering control is timely and appropriately addressed to maintain the integrity of the engineering control;

(4) This engineering control is being inspected and maintained and its integrity remains so that the remedial action continues to be protective of the public health and safety and of the environment;

(5) A record of the self-inspection data, name of the inspector, results of the inspection and condition(s) of this engineering control. Sampling, for example, may be necessary if it is not possible to visually evaluate the integrity/ performance of this engineering control; and

(6) Any new standards, regulations, or laws apply to the site that might necessitate additional sampling in order to evaluate the protectiveness of the remedial action which includes this Deed Notice, and conduct the necessary sampling.

(C) Description of the following items that will be included in the biennial certification:

BK 08426 PG 00045

(1) A monitoring report that describes the specific activities, pursuant to (A) and (B), above, conducted in support of the biennial certification of the protectiveness of the remedial action that includes this Deed Notice;

(2) The engineering controls continue to operate as designed; and

(3) The remedial action that includes the engineering control continues to be protective of the public health and safety and of the environment.

ii. Exhibit C-4: Concrete Protective Capping System: Exhibit C-2 includes a narrative description of the Concrete Protective Capping System as follows:

(A) General Description of the engineering control:

(1) Description of the engineering control;

(2) The objective of the engineering control; and

(3) How the engineering control is intended to function.

(B) Description of the operation and maintenance necessary to ensure that:

(1) Periodic inspections of each engineering control are performed in order to determine its integrity, operability, and effectiveness;

(2) Each engineering control continues as designed and intended to protect the public health and safety and the environment;

(3) Each alteration, excavation or disturbance of any engineering control is timely and appropriately addressed to maintain the integrity of the engineering control;

(4) This engineering control is being inspected and maintained and its integrity remains so that the remedial action continues to be protective of the public health and safety and of the environment;

(5) A record of the self-inspection data, name of the inspector, results of the inspection and condition(s) of this engineering control. Sampling, for example, may be necessary if it is not possible to visually evaluate the integrity/ performance of this engineering control; and

(6) Any new standards, regulations, or laws apply to the site that might necessitate additional sampling in order to evaluate the protectiveness of the remedial action which includes this Deed Notice, and conduct the necessary sampling.

(C) Description of the following items that will be included in the biennial certification:

BK 08426 PG 00045

(1) A monitoring report that describes the specific activities, pursuant to (A) and (B), above, conducted in support of the biennial certification of the protectiveness of the remedial action that includes this Deed Notice;

(2) The engineering controls continue to operate as designed, and

(3) The remedial action that includes the engineering control continues to be protective of the public health and safety and of the environment.

15. SIGNATURES. IN WITNESS WHEREOF, Owner has executed this Deed Notice as of the date first written above.

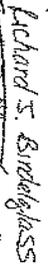
ATTEST:

HESS CORPORATION


[Print name and title]
Richard J. Bindelglass
Assistant Secretary

By 
[Print name and title]
Timothy J. O'Connor
Vice President - M&E, Risk Control

STATE OF NEW JERSEY SS:
COUNTY OF HUDSON Middlesex


Richard S. Bindelglass

I certify that on November 4, 2008, Timothy J. O'Connor, personally came before me, and this person acknowledged under oath, to my satisfaction, that:

(a) this person is the [secretary/assistant secretary] of Hess Corporation, the corporation named in this document;

(b) this person is the attesting witness to the signing of this document by the proper corporate officer who is the [president/vice president] of the corporation;

(c) this document was signed and delivered by the corporation as its voluntary act and was duly authorized;

(d) this person knows the proper seal of the corporation which was affixed to this document; and

(e) this person signed this proof to attest to the truth of these facts.


[Signature]

Richard J. Bindelglass
[Print name and title (separating witness)]

Signed and sworn before me on November 4, 2008


Cheryl L. Howard, Notary Public

CHERYL L. HOWARD
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires On: 09/20/11
ID: NO. 2232307

Exhibit A

Maps of Property and Vicinity

Exhibit A-1 - Site Vicinity Map has been attached.

Exhibit A-2 - Metes and Bounds Description of the Property

- The Town of Secaucus Tax Assessment map for the property identified as Block 101, Lot 8, is attached as Exhibit A-2.
- The metes and bounds description of the property is as follows:

Beginning at the intersection of the northwesterly line of Tenth Street and the southwesterly line of Front Street and from said beginning point running, thence,

1. South 38 degrees 05' minutes 33 seconds west along the aforesaid northwesterly line of Tenth Street a distance of 259.33 feet to a point, thence,
2. North 51 degrees 54 minutes 27 seconds west along the dividing line between lots nos. 13 and 14 as shown on a map hereinafter recited, a distance of 191.11 feet to a point in the southerly line of a proposed street 100.00 feet wide, thence,
3. Easterly along a curve to the right along the aforesaid southerly line of the proposed street having a radius of 772.04 feet an arc distance of 78.04 feet to a point of reverse curve, thence
4. Northwesterly along a curve to the left still along the aforesaid side line of a proposed street having a radius of 571.38 feet, an arc distance of 193.27 feet to a point in the aforesaid southerly line of Front Street, thence,
5. South 51 degree 54 minutes 27 seconds east along the aforesaid southwesterly line of Front Street a distance of 116.07 feet to place of beginning.

Enccompassing an area 92,469.39 SF/2.073 AC.

Being part of lots nos 14, 15, 16, and 17, as shown on a map entitled "Map of Clarendon situated at Secaucus, Hudson County, New Jersey" filed in the Register's Office of Hudson County May 19th, 1853 as Map No. 223.

The foregoing description is drawn in accordance with a survey for proposed street front Property of Hartz Mountain Products to Grace Street, Secaucus, Hudson County, N.J., made by Sallet & Sallet, Civil Engineers and Surveyors 215 Westfield Avenue, Elizabeth, N.J., dated August 9th 1971 and revised to August 17th 1971, and subject to an accurate survey and minor subdivision to be prepared by Sallet & Sallet, Civil Engineers and Surveyors

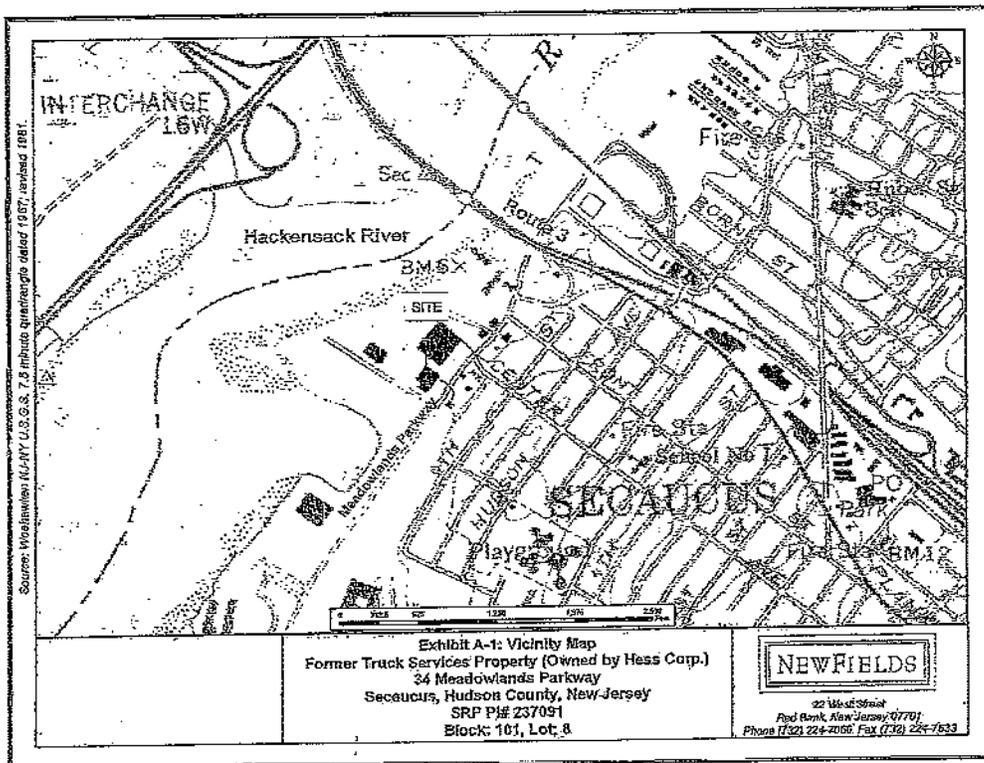
Exhibit A-3--A Site Plan has been attached.

BK#08426 PG#00051

BK#08426 PG#00052

Exhibit A-1
 Vicinity Map

BK208426 PG00053



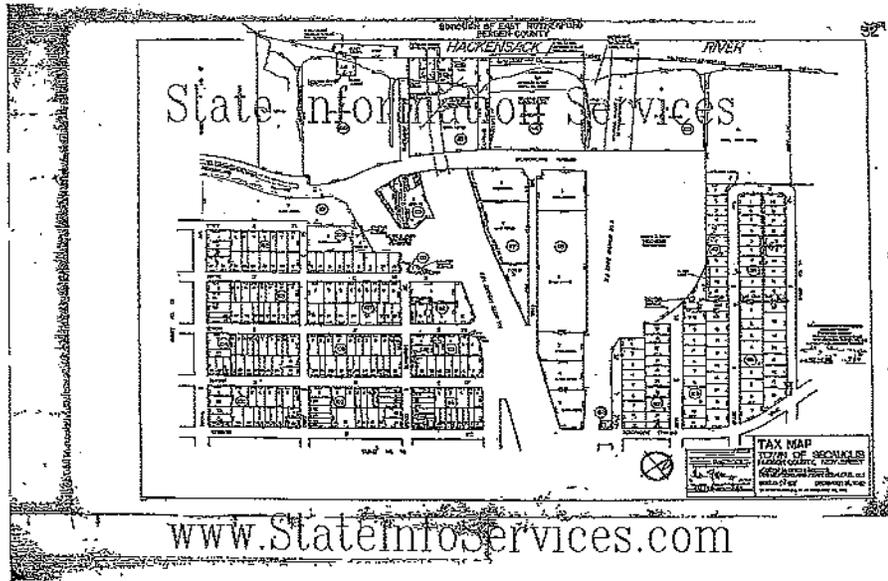
BK208426 PG00054

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Exhibit A-2

Exhibit A-2
Metes and Bounds Description of Property
Town of Secaucus Tax Map

BK#08426 PG#00056

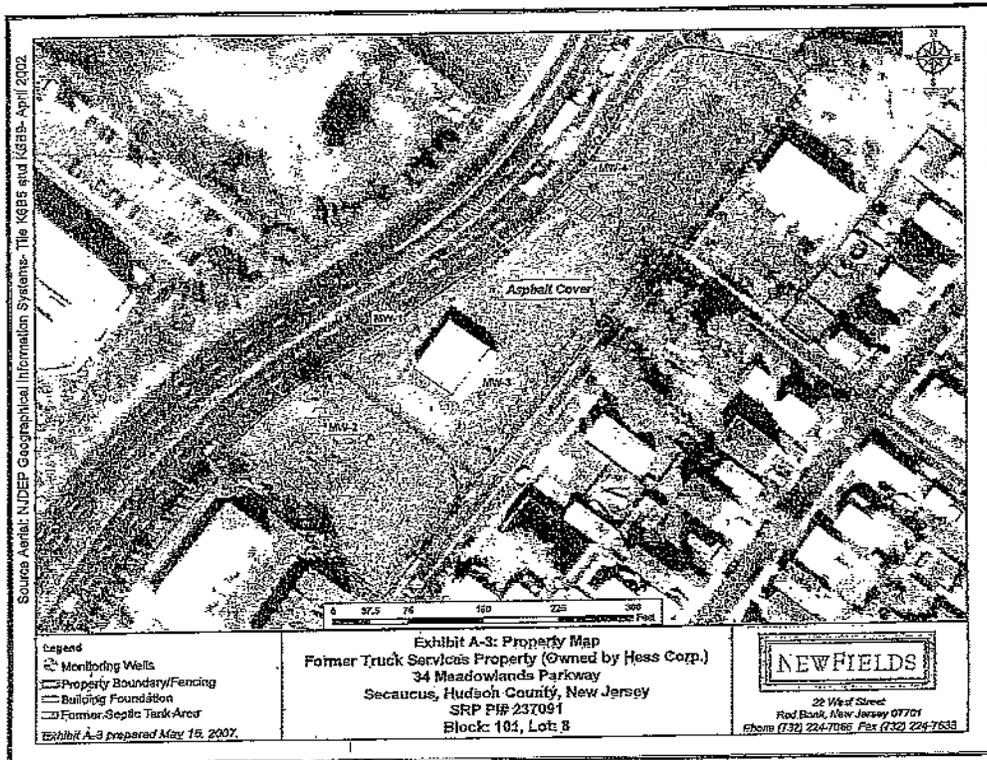


BK 103426 PG 00037

BK 103426 PG 00038

Exhibit A-3
Property Map

BK 03426 PG 00059



BK 03426 PG 00060

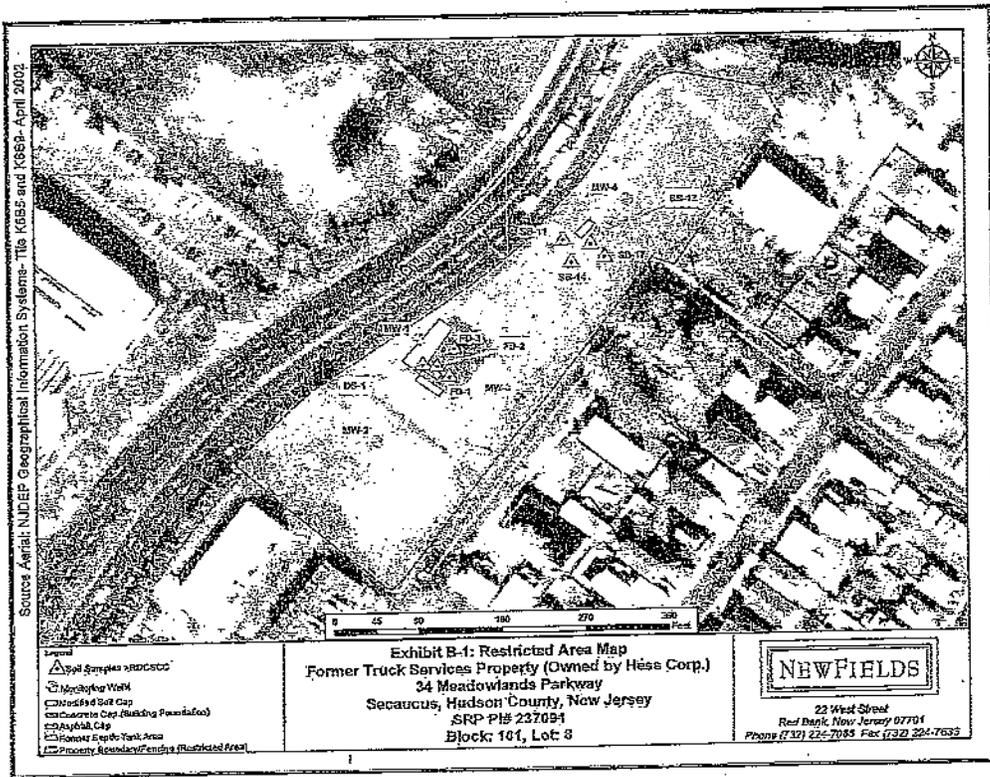
BK#08426 FG#00061

Exhibit B-1

Exhibit B-1
Restricted Area Map

BK#08426 FG#00062

BK:08426 PG:00063



BK:08426 PG:00064

Exhibit B-2
Restricted Area Data Table

BK:084226 PG:000065

Exhibit B-2
Restricted Area Data Table

Former Truck Services Property
Hesse Corporation
34 Meadowlands Parkway
Secaucus, NJ

Sample Location Sample Date	Chemical Abstract Service Registry Number	Typical Historic Fill Material Maximum Concentration (7-260- 4.6)	Typical Historic Fill Material Average Concentration (7-260- 4.6)	Residential Direct Contact Soil Cleanup Criteria-RD CSCC	Non-Residential Direct Contact Soil Cleanup Criteria-NRD CSCC	FD-1*	FD-3*	FD-3*	DS-1
						12/23/2004	12/23/2004	12/23/2004	7/19/2006
Sample Depth (ft)						0.25-4.75'	0.25-0.75'	0.15-0.75'	4.D-4.5'
Units	NA	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg
Benzene/benzene	96-25-2	160	1.7	0.9	4	0.708	0.61	0.514	1.06
Benzophenone	96-25-4	120	1.89	0.26	4	0.754	3.42	0.411	1.33
Bromobenzene	205-29-2	110	1.91	0.9	4	0.797	3.06	0.321	1.00
Bromobenzene	207-06-0	93	1.70	0.9	4	0.749	3.33	0.449	0.91
Dibromobenzene	53-70-3	35	1.24	0.66	4	0.299	0.863	0.73	0.28
Dibenzylideneacetone	193-39-0	67	1.41	0.9	4	0.559	1.82	0.313	0.766
Lead	7439-92-1	10700	574	400	600	212	62.3	436	37.3

* Highest concentrations exceed the residential use standard (RDCSCC).
* - Samples collected below floor drains located within building foundation.
NS = Not Sampled
NA = Not Applicable

BK:084226 PG:000065

Exhibit B-3
 Restricted Area Data Table

Farmar Truck Services Property
 Hess Corporation
 24 Meadowslands Parkway
 Secaucus, NJ

Sample Location Sample Date	Chemical Abstract Service Registry Number	Typical Historic Fill Material Maximum Concentration (7/2005- 4/0)	Typical Historic Fill Material Average Concentration (7/2005- 4/0)	Residential Direct Contact Soil Cleanup Criteria-RDCSCC	Non-Residential Direct Contact Soil Cleanup Criteria-NRDCSCC	SR-11	SR-12	SR-14	SR-17
						09/2004	09/2004	12/23/2004	12/23/2004
Sample Depth (ft)		mg/kg	mg/kg	mg/kg	mg/kg	1.5-4.0'	3.5-4.0'	1.5-4'	5.5-4'
Units	NA	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg
Benzochlorobenzene	35-25-5	160	1.57	0.9	4	0.202	1.26	1.18	1.4
Benzodipyrone	30-31-4	120	1.59	0.66	4	0.71	1.15	1.21	1.43
Benzothiazolone	205-99-2	110	1.51	0.9	4	0.556	1.11	1.18	1.62
Benzothiazolone	207-09-9	93	1.72	0.9	4	0.539	0.835	1.05	1.57
Dibenzofuran	52-70-3	25	1.22	0.66	4	0.229	0.373	0.237	0.221
Dibenzofuran	192-39-2	87	1.41	0.9	4	0.534	0.699	0.531	0.699
Lead	7439-92-1	10700	572	400	600	NS	NS	NS	NS

Highlighted concentrations exceed the unrestricted use standard (RDCSCC).
 * - Samples collected below floor drains located within building foundation.
 NS = Not Sampled
 NA = Not Applicable

BK#08426 PG#00047

BK#08426 PG#00048

EXHIBIT C-1
DEED NOTICE AS INSTRUMENTAL CONTROL

(A) General Description of this Deed Notice:

1. **Restricted Area:** The Restricted Area includes approximately 2.0 acres of property located adjacent to the Mendowians Parkway in the Town of Seaneau, New Jersey. As indicated in Exhibit B-1 the restricted area encompasses the site since historic fill material related COCs have been identified within investigated areas and are anticipated to be present in this area of Seaneau. The Property presently is a vacant (undeveloped) parcel lot.
2. **Restrictions:** The use of Property shall be restricted to non-residential uses only and pursuant to paragraphs 6A and 6B of the Deed Notice.
3. **Objective:** The objective of the deed notice is to limit use of the Restricted Area relative to the potential for human exposure to soil contamination through direct contact with the contaminated soil beneath the protective caps in the Restricted Area.

(B) Description of Monitoring Approaches

1. **Soil Disturbances in Restricted Area:** The owner will assure that any intrusive activities on the Property that expose or penetrate the soil beneath the protective cap in the Restricted Area will be monitored visually and will notify the New Jersey Department of Environmental Protection (NJDEP), using a form provided by the NJDEP, that no human exposure (direct contact) occurred during or resulting from said intrusive activities.
2. **Lead Use Changes:** The owner will review the Deed Notice and exhibits and make any required notices or certifications to the NJDEP, in the event that there are any material land use changes impacting the Property. Such notice or certification will be made within 60 days of the owner learning of any such land use change.
3. **Current Land Use:** The owner hereby certifies that the current land use is generally consistent with commercial land use as presently declared by the Zoning Code of the Town of Seaneau, New Jersey and the restrictions of this Deed Notice. The owner will review the Land Use Classification as part of the Biennial Certification to the NJDEP.
4. **New/Modified Laws or Regulations:** The owner will determine whether any new or revised rules affecting the site have been promulgated that apply to the Property which would impact restrictions of this Deed Notice.

BK#08426 PG#00069

(C) Description of Biennial Certification:

5. **New Standards, Regulations, or Laws that Necessitate Additional Sampling:** The owner will determine whether any new laws or regulations apply to the Property that might necessitate additional sampling to evaluate the protectiveness of the cap to human health and the environment.
- The following items will be included in the Biennial Certification that the owner will submit to the NJDEP:
1. A monitoring report that describes the activities, pursuant to the descriptions of the Deed Notice and monitoring approaches above, conducted in support of the Biennial Certification of the protectiveness of the remedial action that is included in this Deed Notice;
 2. A statement that land use at the site is consistent with the restrictions in this Deed Notice; and
 3. A statement that the remedial action that includes this Deed Notice continues to be protective of human health and of the environment.

BK#08426 PG#00070

EXHIBIT C2
DESCRIPTION OF ENGINEERING CONTROLS:
MODIFIED SOIL PROTECTIVE CAPPING SYSTEM

(A) General Description of the Modified Soil Protective Capping System:

1. **Description:** The clean fill material and gravel will serve as a modified soil protective capping system over areas where site and remedial investigations previously disturbed low permeability materials. This cap covers a portion of the affected areas of the property to prevent direct contact with the affected soils. In these areas, at least 42 inches of soil and/or gravel cover is present over soils that contain PAHs above the Residential Direct Contact Soil Cleanup Criteria (RDCSCC). Exhibit B-1 shows the horizontal limits of the modified soil protective capping system. Furthermore, a 6-ft high chain link fence surrounds the property as indicated on Exhibit B-1. The fencing throughout the site will be maintained while the site is inactive to prevent unauthorized access.

2. **Objective:** The objective of the modified soil protective capping system is to limit the potential for human exposure to soil contamination through direct contact with the contaminated soil beneath the cap in the Restricted Area.

3. **Function:** The modified soil protective capping system is intended to serve as a physical barrier represented by a buffer of clean material. This physical barrier deters incidental intrusive activities by site workers or trespassers into contaminated soil below.

(B) Operation and Maintenance:

1. The owner will perform inspections on at least a bimonthly basis to determine the integrity and effectiveness of the modified soil protective capping system.

2. The owner will perform inspections of the engineering controls on a scheduled basis and immediately following notification of any significant natural event or intensive human activity. The objective of each inspection is to determine if the cap materials have been damaged by natural events or by human activities at the property.

3. The modified soil cap will be maintained. No disturbance beyond the depth of the clean cover will be undertaken without consent with the owner and prior NIDRP approval.

4. Alterations, excavations, or disturbances will be identified through periodic inspections or by inspections conducted immediately following notification of any significant natural event or intensive human activity. Cap disturbances

EXHIBIT C2

EK#08426 PG#00071

EK#08426 PG#00072

will be repaired to pre-disturbance conditions within 60 days following identification of the disturbance. Repairs will utilize materials and methods consistent with the materials comprising the modified soil protective capping system. During repair activities, exposure levels will not exceed the applicable remediation standard and all applicable worker health and safety laws and regulations will be followed during the repair.

5. Inspections will be recorded by date and an inspection summary sheet will be attached identifying the inspector, the results of the inspection and the condition of the modified soil protective capping system. The summary sheets will be submitted to the NIDDP within the biennial certification report.

6. The owner will routinely monitor changes in the NIDDP's environmental standards, regulations, and statutes. If these rules change in the future, the Remediation Manager will implement any necessary evaluation and response to comply with the revised standards.

(C) Biennial Certification:

Modified soil cap inspection and maintenance activities will be reported to the NIDDP. Any additional information such as changes in regulations will be reported in the Biennial Certification. This report will address the integrity and effectiveness of the engineering controls.

BK#08426 PG#00073

BK#08426 PG#00074

**EXHIBIT C-3
DESCRIPTION OF ENGINEERING CONTROLS;
ASPHALT CAPPING SYSTEM**

(A) General Description of the Asphalt Capping System:

1. **Description:** The pre-existing asphalt capping system covers the majority of the property to prevent direct contact with the affected soils. The asphalt capping system exhibits an adequate thickness of 3.5 inches of asphalt pavement and 6 inches of sub-base material along with a minimum of 30 inches of pre-existing soil materials above the soil contamination, thus no modifications will be made to the pavement. Exhibit B-1 shows the horizontal limits of the asphalt-capping system. Furthermore, a 6-ft high chain link fence surrounds the property as indicated on Exhibit B-1. The fencing throughout the site will be maintained while the site is inactive to prevent unauthorized access.
 2. **Objective:** The objective of the asphalt capping system is to limit the potential for human exposure to soil contamination through direct contact with the contaminated soil beneath the cap in the Residential Area.
 3. **Function:** The asphalt capping system is intended to provide a physical barrier that delays incidental intrusive activities by site workers or trespassers into contaminated soil below.
- (B) Operation and Maintenance:**
1. The owner will perform inspections on at least a biennial basis to determine the integrity and effectiveness of the asphalt capping system.
 2. The owner will perform inspections of the engineering controls on a scheduled basis and immediately following notification of any significant natural event or intrusive human activity. The objective of each inspection is to determine if the cap materials have been damaged by natural events or by human activities at the property.
 3. The asphalt capping system will be maintained in its current condition. No disturbance beyond the depth of the clean cover will be undertaken without contact with the owner and prior NIDEP approval.
 4. Alterations, excavations, or disturbances will be identified through periodic inspections or by inspections conducted immediately following notification of any significant natural event or intrusive human activity. Cap disturbances will be repaired to pre-disturbance conditions within 60 days following identification of the disturbance. Repairs will utilize materials and methods

EK 08426 PG 00075

consistent with the materials comprising the asphalt capping system. During repair activities, exposure levels will not exceed the applicable remediation standard and all applicable worker health and safety laws and regulations will be followed during the repair.

5. Inspections will be recorded by date and an inspection summary sheet will be attached identifying the inspector, the results of the inspection and the condition of the asphalt capping system. The summary sheets will be submitted to the NIDEP within the biennial certification report.

6. The owner will routinely monitor changes in the NIDEP's environmental standards, regulations, and statutes. If these rules change in the future, the Remediation Manager will implement any necessary evaluation and response to comply with the revised standards.

(C) Biennial Certification:

Asphalt capping system inspection and maintenance activities will be reported to the NIDEP. Any additional information such as changes in regulations will be reported in the Biennial Certification. The report will address the integrity and effectiveness of the engineering controls.

EK 08426 PG 00076

EXHIBIT C-4
DESCRIPTION OF ENGINEERING CONTROLS;
CONCRETE CAPPING SYSTEM

(A) General Description of the Concrete Capping System:

1. **Description:** The pre-existing concrete floor slab of the former garage building covers a portion of the property to prevent direct contact with the affected soil. The thickness of the concrete cap is 8-inches with a minimum of 4-inches of sub-base material along with a minimum of 30 inches of pre-existing soil materials above the soil contamination. Exhibit B-1 shows the horizontal limits of the concrete cap. Furthermore a 6-ft-high chain link fence surrounds the property as indicated on Exhibit B-1. The fencing throughout the site will be maintained while the site is inactive to prevent unauthorized access.

2. **Objective:** The objective of the concrete capping system is to limit the potential for human exposure to soil contamination through direct contact with the contaminated soil beneath the cap in the Restricted Area.

3. **Rationale:** The concrete capping system is intended to provide a physical barrier that deters incidental intrusive activities by site workers or trespassers into contaminated soil below.

(B) Operation and Maintenance:

1. The owner will perform inspections on at least a biannual basis to determine the integrity and effectiveness of the concrete capping system.

2. The owner will perform inspections of the capping controls on a scheduled basis and immediately following notification of any significant natural event or intrusive human activity. The objective of each inspection is to determine if the cap materials have been damaged by natural events or by human activities at the property.

3. The concrete capping system will be maintained in its current condition. No disturbance beyond the depth of the open cover will be undertaken without contact with the owner and prior NIDDP approval.

4. Alterations, excavations, or disturbances will be identified through periodic inspections or by inspections conducted immediately following notification of any significant natural event or intrusive human activity. Cap disturbances will be repaired to pre-disturbance conditions within 60 days following identification of the disturbance. Repairs will utilize materials and methods consistent with the materials comprising the asphalt capping system. During

RK 0426 PG 77

repair activities, exposure levels will not exceed the applicable remediation standard and all applicable worker health and safety laws and regulations will be followed during the repair.

5. Inspections will be recorded by date and an inspection summary sheet will be attached identifying the inspection, the results of the inspection and the condition of the concrete capping system. The summary sheets will be submitted to the NIDEP within the biennial certification report.

6. The owner will routinely monitor changes in the NIDEP's environmental standards, regulations, and statutes. If these rules change in the future, the Remediation Manager will implement any necessary evaluation and response to comply with the revised standards.

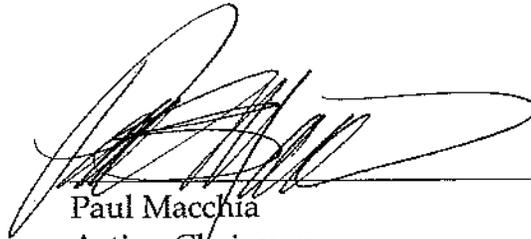
(c) Biennial Certification:

Concrete capping system inspection and maintenance activities will be reported to the NIDEP. Any additional information such as changes in regulations will be reported in the Biennial Certification. This report will address the integrity and effectiveness of the engineering controls.

**RESOLUTION AUTHORIZING FUNDING FOR THE
HACKENSACK MEADOWLANDS MUNICIPAL COMMITTEE**

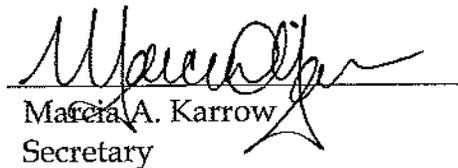
BE IT RESOLVED by the New Jersey Meadowlands Commission that the Executive Director is authorized to appropriate an amount of \$90,343.00 towards the FY2015 operational costs of the Hackensack Meadowlands Municipal Committee ("HMMC"). The funding will be provided from the NJMC's solid waste operations.

The foregoing resolution was adopted by Commission vote.



Paul Macchia
Acting Chairman

I hereby certify the foregoing to be a true copy of the Resolution adopted by the New Jersey Meadowlands Commission at their meeting of April 23, 2014.



Marcia A. Karrow
Secretary

Resolution No. 14-18

Motion Second Roll Call

Memorandum



New Jersey Meadowlands Commission

To: NJMC Commissioners & Marcia A. Karrow, Executive Director

From: Edward H. Bulmer Date: April 23, 2014

Subject: FY2015 Contribution to Hackensack Meadowlands Municipal Committee

The attached resolution will authorize the funding of the FY2015 operational costs of the Hackensack Meadowlands Municipal Committee ("HMMC"), at an amount of \$90,343.00. The funding will be provided from the NJMC's solid waste operations.