

**Hunterdon County
Transfer Station/Materials
Recovery Facility (TS/MRF)
Petticoat Lane,
Clinton Township
Block 46 Lot 32**

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Block 46 Lot 32

This report has been prepared to aid the County of Hunterdon in the potential sale of County owned improvements on the above reference property. This report has been prepared in accordance with the and under the guidelines of the New Jersey Local Lands and Buildings Law (“LLBL”). Specifically pursuant to N.J.S.A. 40A:12-13.5 which requires for the sale or lease of 20 years or more or exchange of county owned real property or capital improvements the issuance of a report which identifies the reasons for, and all advantages and disadvantages and benefits and detriments of, the proposed sale, lease, or exchange; assessing the environmental and recreational impact of that proposed sale, lease, or exchange, including, but not limited to, the impact on endangered species and nongame species as defined and regulated pursuant to P.L.1973, c.309 (C.23:2A-1 et seq.), and endangered plant species as defined and regulated pursuant to P.L.1989, c.56 (C.13:1B-15.151 et seq.); and assessing the environmental and economic value of the real property or capital improvement proposed to be sold, leased, or exchanged under both its current and proposed use.

General Description:

The property contains 6 acres of land located in a rural area, zoned 15C (Public Property) that is leased by Hunterdon County from the State of New Jersey, Department of Corrections.

The property is currently being used as a Transfer Station/Materials Recovery Facility (TS/MRF). The Transfer station facility is constructed as a two-story building with a 3,400 square foot tipping floor, three floor level hoppers that gravity feed to three stationary compactors and transfer trailers on the lower (grade) floor level.

The Site also consists of 2 vehicle scales and a partially paved roadway. There is a concrete pad for recycling tipping area located north of the transfer building.

The solid waste compactors are owned by the current operator.

Location and Immediate Neighborhood:

The property is located on Petticoat Lane in Clinton Township. Block 46 Lot 32. The property lies adjacent to Interstate 78 and .25 of a mile from U.S. Route 22. The closest residential units to the transfer station, which is the Mountainview Prison, are located approximately 1,200 feet north of the transfer station.

The closest residential housing are several homes on Petticoat Lane and the two housing developments; ½ mile west to Hidden Valley Road and ½ mile east to Catawba Lane, both in Clinton Township.

Land:

The subject property consists of 6 acres. With a waste compacting Transfer Station Building, 2 large vehicle scales, and partial paved surfaces.

Flood Plain/Wetlands:

The property is not located in a Flood Plain and does not include any wetlands.

Easements:

Clinton Township has access to two 2 water towers on the property. Since it is state property it is unknown whether there is an easement.

Utilities:

Utilities for the site include JCP&L Electric, and public water (Clinton Township, and a septic system.

Improvements and General Property Description:

The improvements on the property consist of the waste compacting Transfer Station Building, 2 large vehicle scales, partial paved surfaces, and fencing.

History:

The Hunterdon County Utilities Authority (HCUA) entered into an agreement with the State of New Jersey to lease the current property in the late 1970's to build out a solid waste transfer station. The agreement provided for the HCUA to provide all disposal services for the nearby Correctional facilities.

When a plan for a landfill was abandoned in the 1980's, the HCUA used the transfer station as a convergence point for the transportation of solid waste to other landfills, including landfills in Pennsylvania.

The operation of the transfer station was contracted out to a private vendor, via the bid process, beginning in 1985.

The HCUA was dissolved in the mid 2000's and the Hunterdon County Solid Waste and Recycling Division was formed to oversee the transfer station operation.

Waste Management Inc. is the current contractor operating the transfer station.

Reason for the Potential Sale.

The County is contemplating the sale of its County owned and operated Transfer Station/Materials Recovery Facility (TS/MRF). The primary justification is economic and the County's concern with respect to local property taxpayer's funds needed to continue to operate and manage the TS/MRF.

During the past several years, the expenses incurred in the operation and management of TS/MRF is set forth in the attached report of Sterner Consulting dated March 2021. The continued operation of the TS/MRF by the County will require additional capital expenses of the County in excess of \$500,000 which beyond its desired budgetary limits.

If the TS/MRF is sold, it is anticipated that the sale would generate a minimum of \$300,000. These funds could be used by the County to address current and future needs, including, but not limited to, infrastructure maintenance, savings for future emergent circumstances, and a number of other critical concerns. The financial benefit to the taxpayers of the County would be immediate and substantial.

Benefits of The Transfer of Ownership of the Transfer Station To A Private Operator:

The County would realize an immediate and substantial financial benefit from the receipt of the proceeds of the sale of TS/MRF. Moreover, based upon the attached Sterner Consulting, report dated March 2, 2021, there is a combined cash deficit to cover working capital that would be eliminated upon a sale. In addition, the County would also benefit as the County would no longer have to attend to issues relating to the administration, staffing, personnel, infrastructure, buildings and grounds, insurance, legal, and various other issues that arise during the course of the operation of TS/MRF.

Hunterdon County presently has the authority, under a NJ Department of Environment Protection solid waste permit (Facility ID No: 132254, Permit No: TRP160001), to operate a solid waste transfer station at the site.

The County owns the compaction building and scales. The property is owned by the State of New Jersey and the County holds a lease agreement from 1990. Under the lease, in lieu of rent payment, the County agrees to accept and handle all waste disposal from the Mountainview Youth Correctional Facility and the Edna Mahan Correctional Institution.

Waste Management Inc. has been authorized by the County, through the New Jersey bid law process, to operate the transfer station for a period of five years ending December 2023.

Ownership of a solid waste transfer station by government is not ideal. There are economies of scale that can result in reduced costs for consumers for a solid waste company to both own and operate a transfer operation.

Capital costs that accrue to the County can be avoided with the transfer of ownership and responsibility for the transfer station to the private sector. A private company is much better positioned to take advantage of cost saving technologies and marketing opportunities.

It is in the public's interest for the operation to be owned and operated by a private, rather than public entity.

DISADVANTAGES / DETRIMENTS OF SALE

The sale will have a minimal impact on the residents, the staff and the citizens of the County.

With respect to the residents, the County does **not anticipate any** immediate change in services provided to the County residents by the TS/MRF.

With respect to personnel, a purchaser of TS/MRF is expected to review the employment of the current management and staff, which are currently not employee of the County, rather employee of the current manager. As such there is no anticipated impact on current employees of the County.

There is a possibility that there may be reductions in force and/or changes in employment conditions and results are speculative at this time. The County does not anticipate any other potential disadvantages or detriments as a result of the sale at the present time.

VALUE ASSESSMENT

Valuation of property is complicated due to varying uses. The property is already developed, and any future development may be limited by environmental impacts. The values of existing developments can change quickly, more so than vacant properties or residential properties. By making changes to several operational aspects of the TS/MRF, the new owner could increase profitability. The increased revenue will affect the market value, in addition the property is not owned by the County, rather the County only owns the improvements and any new operator would be required to enter into a new lease for the Property.

REPORT LIMITATIONS

- No environmental sampling or testing of air, water, or soil was performed for this report.
- Threatened and endangered species data was obtained from the latest NJDEP iMap and Geographic Information System (GIS) data sets. No onsite threatened/endangered species study was performed for this report.

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