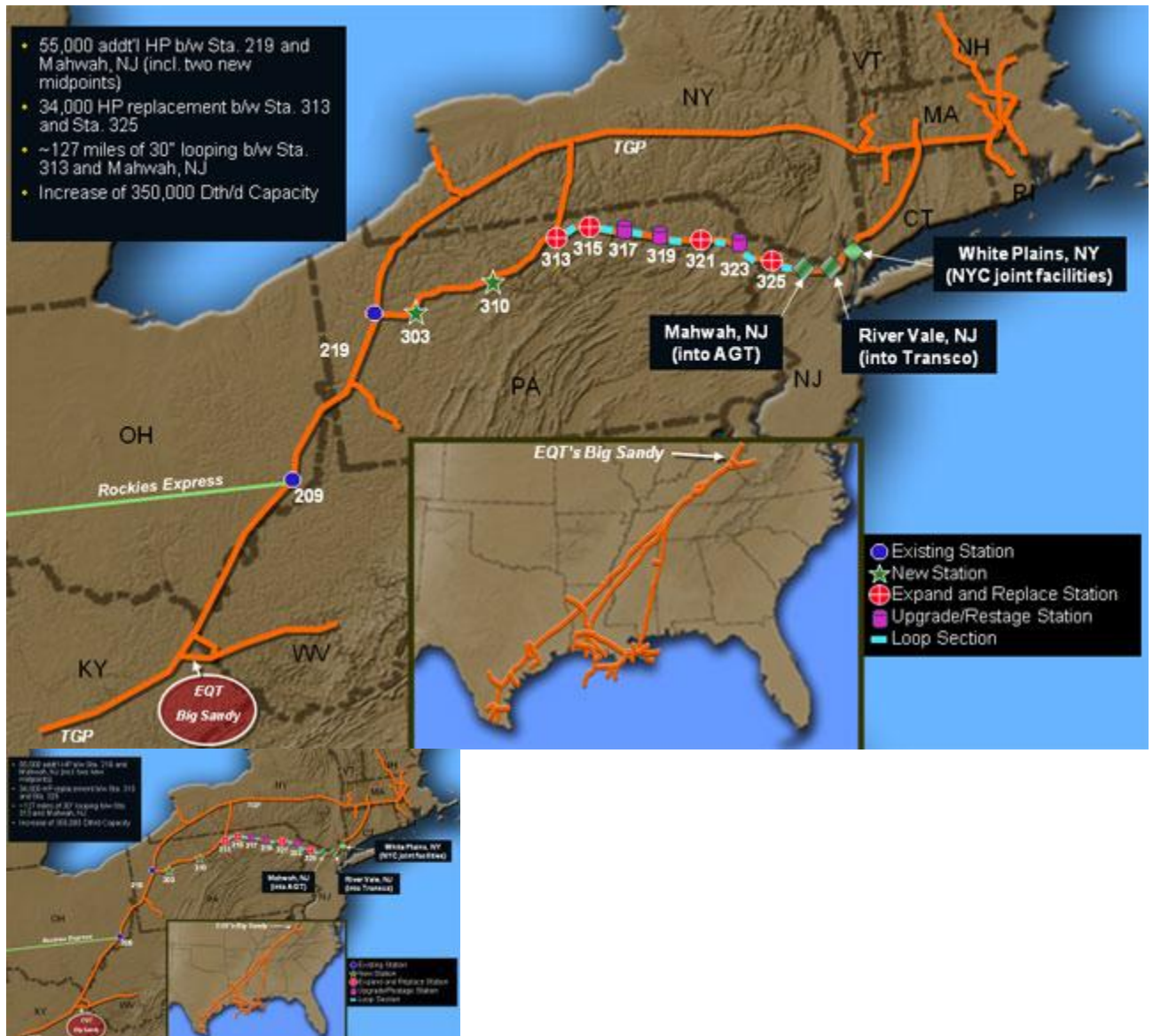


State Spurns Proposed Gas Pipeline Lease, Citing Lowball Offer

Conservationists help block a 23-mile natural gas pipeline, but the Statehouse Commission is expected to take up the issue again within 10 business days

By **Tom Johnson**, July 6 in **Energy & Environment** | [Post a Comment](#)

The Statehouse Commission is balking at a proposed lease that would allow a 23-mile-long gas pipeline to be built through two state parks and a wildlife management area in the heart of the Highlands.



The commission, the state agency overseeing disposition of state lands, decided to table the proposed lease between the New Jersey Department of Environmental Protection and Tennessee Gas Pipeline Company after conservationists contended the state was being shortchanged.

That argument resonated with at least one member of the commission, Assemblyman Joseph Cryan (R-Union). "Frankly, the price is too low. It just needs to be fair value for the state." The commission is expected to take up the issue again within 10 business days.

A Temporary Stay

Conservationists were heartened by the action, but fear the pipeline project, cutting a 25-foot wide swath through Long Pond Ironworks State Park in West Milford, Wawayanda State Park, also in West Milford, and the Hamburg Mountain Wildlife Management Area in Vernon Township, will eventually be approved.

"It's only a temporary setback," said Juila Somers, executive director of the Highlands Coalition, "but it's clear that the appraisal process needs to be reviewed."

Under the terms of the lease, the state would receive \$45,000 to lease 19 acres for 24 years as well as another 116 acres valued at approximately \$860,000 to offset the wetlands and other sensitive environmental areas where the pipeline would traverse.

"On its face, it's laughable," said Bill Wolfe, director of New Jersey Public Employees for Environmental Responsibility. "Given the tremendous value of a gas pipeline, they can't value it at that price."

The \$2 billion project by Tennessee Gas, a subsidiary of El Paso Corp., is part of a planned 128-mile expansion of a 30-inch gas pipeline serving the Northeast region. It would increase natural gas deliveries to the region by 350,000 dekatherms each day.

Too Late to Vote

The project might have been approved by the commission had one of its members, Sen. Joseph Kyrillos (R-Monmouth), arrived at the session earlier. He tried to vote in favor of the project but environmentalists protested, arguing he had not been there to hear the testimony. A lawyer for the Attorney General's office said he would not be able to vote.

Robert Newberry, a spokesman for the company, said they do not anticipate any problems with the lease being approved. "There's not any problem there," Newberry said, referring to the fact that Kyrillos was not allowed to vote on the lease. "We appreciate the vote was rescheduled within 10 days."

Some environmentalists held out hope of stopping the project outright. Jeff Tittel, director of the New Jersey Sierra Club, called the lease a "dirty deal." Instead of a typical 25-year lease usually associated with such projects, the proposed lease on the Highlands property is only 24 years, which allows it to avoid the required two public hearings on state land exchanges under New Jersey law, Tittel said.

"They did this to circumvent public review," Tittel said. "This is the biggest giveaway since Manhattan island was sold for \$24."

The lease is the second land deal orchestrated by the Christie administration to come under fire from New Jersey's conservation community. Earlier this year, the New Jersey Board of Utilities approved the sale of a 1,350-acre tract in Millville known as the Holly Tract to a developer for \$4 million. The land, described by environmentalists as perhaps the best remaining tract of undeveloped land in New Jersey because of its biological diversity, had been targeted for purchase by the DEP Green Acres program on four different occasions.

"The Governor has said he wants decisions made based on an economic analysis," Tittel said. "If they had done it here, it would have shown they are being shortchanged. They gave away the Holly tract to a developer and now they are giving away the biggest piece of hardwood forest left in New Jersey."