

MINUTES
MORRIS COUNTY AGRICULTURE DEVELOPMENT BOARD
30 Schuyler Place, 4th Floor, Morristown, New Jersey
May 10, 2018

The meeting was called to order by Chairman Davis at 7:36 p.m. Members present:

Aimee Ashley Myers (arrived at 7:40 p.m.)
Thomas Galfo
Gregory Keller
Harvey Ort
Jay Thomson

Members with an excused absence:

Rick Desiderio

Also in Attendance:

William Asdal (departed at 7:53 p.m.)
Kurt Alstede (departed at 7:53 p.m.)
Rebecca Alstede (departed at 7:53 p.m.)
Antony Sposaro, Esq. (departed at 7:53 p.m.)
Randall Peach, Esq. (arrived at 7:55 p.m.; departed at 8:28 p.m.)
Kevin Van Lenten (arrived at 7:55 p.m.; departed at 8:28 p.m.)
Ben Spinelli (arrived at 7:55 p.m.; departed at 8:28 p.m.)

Staff in attendance:

Christine Marion
W. Randall Bush, Esq.
Katherine Coyle

The meeting began with the Pledge of Allegiance.

The Board welcomed new member Thomas Galfo. Mr. Galfo replaced member Kathy Hammond, who stepped down from the Board.

COMPLIANCE WITH THE OPEN PUBLIC MEETINGS LAW

Chairman Davis announced that in compliance with the Open Public Meetings Act, adequate notice of the meeting had been provided and filed with the Town of Morristown, the Morris County Clerk, the Daily Record and the Star Ledger.

APPROVAL OF MINUTES

The minutes of the April meeting were not available.

OPEN TO THE PUBLIC

There were no comments from the public.

RIGHT TO FARM

Alstede Farms, Chester Township – Request for SSAMP.

Mr. Bush asked Mr. Sposaro to address the Board regarding the SSAMP application.

Mr. Sposaro stated that he had concerns regarding potential conflicts of interest among the voting members and regarding the Board's ability to hear the case.

Mr. Bush advised the Board that guidance from the Local Finance Board (LFB) should be sought to determine whether or not individual members of the Board can participate in the SSAMP application. The LFB can provide guidance as a higher authority concerning conflict issues.

Mr. Sposaro stated that he was in favor of seeking guidance from the LFB.

On motion of member Keller, seconded by member Galfo, the Board directed Mr. Bush to seek guidance from the LFB regarding individual members' participation in determining the SSAMP. A roll call vote was taken.

Aye: Ashley Myers, Galfo, Keller, Ort, Thomson and Davis

Nay: None Abstain: None

Mr. Bush requested that each member would provide their concerns to him and he would prepare a submission to the LFB.

Alstede Farms, Chester Township – Complaint.

Mr. Bush asked Mr. Asdal to address the Board.

Mr. Asdal stated that he was appearing before the Board per his complaint.

Mr. Bush advised the Board that guidance from the Local Finance Board (LFB) should be sought to determine whether or not individual members of the Board can participate in determining the complaint.

On motion of member Keller, seconded by member Galfo, the Board directed Mr. Bush to seek guidance from the LFB regarding individual members' participation in determining the complaint. A roll call vote was taken.

Aye: Ashley Myers, Galfo, Keller, Ort, Thomson and Davis

Nay: None Abstain: None

At this point, Mr. Asdal, Mr. Alstede, Ms. Alstede and Mr. Sposaro departed.
The Board took a two-minute break.

NEW BUSINESS

At this point, member Thomson left the meeting room.

At this point, Randall Peach, Esq., Mr. Kevin Van Lenten and Mr. Ben Spinelli arrived.

Susan Peach Farm, Washington Township – proposed new use.

Mr. Peach introduced himself, Mr. Van Lenten and Mr. Spinelli. Mr. Peach stated that he is the attorney and a member of Red Barn Distillery, LLC. He then addressed the Board regarding the history of the farm.

Mr. Spinelli of Greener by Design stated that the farm owners hired Greener by Design to assess various agricultural opportunities for the preserved farm. Mr. Spinelli explained the applicants' plans for the farm with respect to the establishment of an on-farm distillery.

Ms. Coyle distributed copies of a Staff Report, which had been provided to the Board members and the applicant prior to the meeting. Ms. Coyle then proceeded to present the report and provided staff comments and recommendations.

Ms. Coyle stated that Mr. Peach submitted a proposal to the Morris CADB for the establishment of a distillery on the preserved farm. The application contained a report prepared by Greener by Design. Mr. Peach also submitted the same proposal to the State Agriculture Development Committee (SADC).

Red Barn Distillery, LLC wishes to establish an on-farm distillery that will produce alcoholic spirits using grains produced on-site. All grains raised on the farm will be used for distilling. The applicants intend to use between 51% and 100% (subject to farm yield and quality) of the ingredients grown on-site to produce the alcoholic spirits. The applicants have entered into a new agricultural lease agreement with Scott Clucas, the operator of Clucas Farms in Oldwick. Mr. Clucas will grow grains on-site for the distilling operation.

The applicants will obtain and utilize a Class A Craft Distillery License from the State of New Jersey pursuant to N.J.S.A. 33:1-10(3)(d). The license permits distilling up to 20,000 gallons of distilled beverages annually.

Ms. Coyle stated that pursuant to Paragraph 2 of the Deed of Easement: "The Premises shall be retained for agricultural use and production in compliance with N.J.S.A. 4:1C-11 et seq., P.L. 1983, c.32, and all other rules promulgated by the State Agriculture Development Committee, (hereinafter Committee). Agricultural use shall mean the use of the Premises for common farmsite activities including, but not limited to: production, harvesting, storage, grading, packaging, processing and the wholesale and retail marketing of crops, plants, animals and other

related commodities and the use and application of techniques and methods of soil preparation and management, fertilization, weed, disease and pest control, disposal of farm waste, irrigation, drainage and water management and grazing.”

The SADC has interpreted the Deed of Easement to mean the following with respect to operations such as wineries, breweries and distilleries:

- Processing, packaging, storage and sales are permitted on the preserved farm if the majority of the ingredients are produced on the farm. The SADC interprets that to mean that at least 51% of the products are grown on the farm management unit. The SADC would permit imported ingredients in case of crop failure.
- At least 51% of the annual gross sales of the retail farm market shall be generated from the sales of agricultural output of the farm management unit. The remaining annual gross sales of the retail farm market may be achieved through the sale of related commodities.
- The primary purpose of any function held on a preserved farm shall be related to the sale of the agricultural output. Events where the primary intent is to market and sell the farm’s output are permitted on preserved farmland, but other social gatherings (parties, weddings, life celebrations, catered events, corporate events, etc.) are not permitted.

Ms. Coyle stated that staff was recommending the following approval conditions:

- At least 51% of ingredients (exclusive of water) used by the distillery must be grown on-site.
- The primary purpose of any function held at the distillery or surrounding premises shall be related to the sale of the agricultural product. Functions such as parties, weddings, life celebrations, catered events, corporate events, etc. are not permitted.
- For the first five (5) years, the Applicant shall provide (1) production records, including a complete copy of documents submitted to the state under the Craft Distillery License, (2) FA-1 forms, and (3) annual grain yields.
- The operation must comply with the Craft Distillery License laws and any other applicable federal, state and local laws and regulations.

On motion of member Ashley Myers, seconded by member Ort, the Board approved the application and directed staff to draft a resolution for the June 14, 2018 meeting. A roll call vote was taken.

Aye: Ashley Myers, Galfo, Keller, Ort and Davis

Nay: None Abstain: None

Absent: Member Thomson recused himself and did not participate in the vote.

At this point, Randall Peach, Esq., Mr. Van Lenten and Mr. Spinelli departed.

At this point, member Thomson returned to the meeting room.

CLOSED SESSION

Pursuant to P.L. 1975 Ch. 231, the Open Public Meetings Act, Chairman Davis announced that in compliance with the Open Public Meetings Act, the Morris CADB considered closing the open portion of the meeting in order to discuss matters related to the purchase, lease or acquisition of real property, and litigation in Closed Session. On motion of member Ort, seconded by member Ashley Myers, the Board voted to conduct a Closed Session. A roll call vote was taken.

Aye: Ashley Myers, Galfo, Keller, Ort, Thomson and Davis

Nay: None Abstain: None

RETURN TO MEETING

The meeting reopened to the public at 8:40 p.m.

ACTIONS RESULTING FROM CLOSED SESSION

No actions were taken as a result of Closed Session.

REPORT OF DIRECTOR & ATTORNEY

Legislative Updates. Legislative updates were shared with the Board via email prior to the meeting.

CORRESPONDENCE

There was no correspondence to review.

OLD BUSINESS

There was no old business to review.

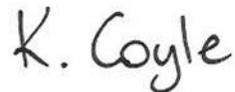
OPEN TO THE PUBLIC

There were no comments from the public.

ADJOURNMENT

There being no further business, on motion of member Keller, seconded by member Thomson, the meeting was adjourned at 8:45 p.m.

Respectfully submitted,



Katherine Coyle, Director