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PUBLIC MEETING

before

ASSEMBLY INDEPENDENT AUTHORITIES COMMITTEE

ASSEMBLY BILL NO. 3184

(Establishes South Jersey and Atlantic Transportation  
Authority as State instrumentality for operation and  
improvement of airport facilities; appropriates \$500,000)

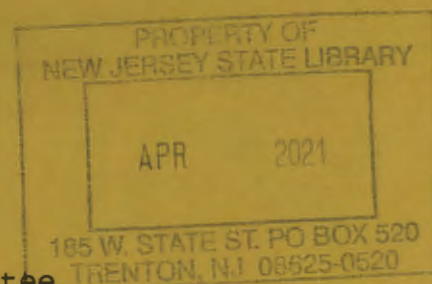
November 17, 1988  
Atlantic City Administration Building  
Atlantic City, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman William "Pat" Schuber, Chairman  
Assemblyman Ralph A. Loveys, Vice Chairman  
Assemblywoman Marion Crecco  
Assemblyman Dennis L. Riley

ALSO PRESENT:

Edward P. Westreich  
Office of Legislative Services  
Aide, Assembly Independent Authorities Committee



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Meeting Recorded and Transcribed by  
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State House Annex  
CN 068  
Trenton, New Jersey 08625

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WILLIAM P. SCHUBER  
CHAIRMAN  
RALPH A. LOVEYS  
VICE-CHAIRMAN  
MARION CRECCO  
LOUIS J. GILL  
DENNIS L. RILEY

**New Jersey State Legislature**  
**ASSEMBLY INDEPENDENT AUTHORITIES COMMITTEE**

STATE HOUSE ANNEX, CN-068  
TRENTON, NEW JERSEY 08625  
TELEPHONE: (609) 984-7381

MEMORANDUM

November 10, 1988

TO: MEMBERS OF THE COMMITTEE

FROM: ASSEMBLYMAN WILLIAM P. SCHUBER, CHAIRMAN,  
ASSEMBLY INDEPENDENT AUTHORITIES COMMITTEE

SUBJECT: COMMITTEE MEETING - THURSDAY, November 17, 1988

(Address comments and questions to Edward Westreich, Committee Aide to  
the Assembly Independent Authorities Committee (609)984-7381)

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The Assembly Independent Authorities Committee will hold a  
committee meeting on Thursday, November 17, 1988 at 10:00 A.M. The meeting  
will be held at the Atlantic City Administration Building, 1333 Atlantic Avenue in  
Atlantic City, in the first floor auditorium.

Bill for Consideration:

A-3184 Establishes South Jersey and Atlantic Transportation Authority  
Kline/ as State instrumentality for operation and improvement of  
Marsella airport facilities; appropriates \$500,000.



ASSEMBLY, No. 3184  
STATE OF NEW JERSEY

INTRODUCED MAY 16, 1988

By Assemblymen KLINE, MARSELLA, Assemblywoman Cooper,  
Assemblymen Brown, LoBiondo, Stuhltrager, Bryant, Shusted,  
Foy, Colburn, Hendrickson, Moran, Palaia, Villane,  
Assemblywoman Smith, Assemblymen Salmon, Collins, Roberts,  
Rocco, Doyle, Assemblywoman Kalik, Assemblymen Shinn,  
Singer, Penn, Bennett, Kyrillos, Assemblywoman Farragher,  
Assemblymen Littell, Zecker and Spadoro

1    AN ACT concerning transportation authorities in regions of the  
      State in which are located municipalities in which casino  
3    gaming is authorized, amending and supplementing P.L. 1980,  
      c. 44, amending the title of that act, and making an  
5    appropriation.

7    BE IT ENACTED by the Senate and General Assembly of the  
      State of New Jersey:

9       1. The title of P.L. 1980, c. 44 is amended to read as follows:

      AN ACT authorizing the planning, development, construction,  
11   acquisition, financing and operation of transportation systems [by  
      or on behalf of] in the region surrounding counties in which are  
13   located municipalities in which casino gaming is authorized,  
      providing for the establishment of [county transportation  
15   authorities] a South Jersey and Atlantic Transportation Authority  
      for the performance of those functions, the issuance of bonds and  
17   other obligations therefor, and service charges to meet the  
      expenses thereof, and supplementing Title 40 of the Revised  
19   Statutes.

      2. Section 1 of P.L. 1980, c. 44 (C. 40:35B-1) is amended to  
21   read as follows:

      1. This act shall be known and may be cited as the "[County]  
23   South Jersey and Atlantic Transportation Authorities Act."  
      (cf: P.L. 1980, c. 44, s. 1)

25       3. Section 2 of P.L. 1980, c. 44 (C. 40:35B-2) is amended to  
      read as follows:

27       2. The Legislature finds and declares that, as a result of the  
      "Casino Control Act" (P.L. 1977, c. 110; C. 5:12-1 et seq.) and  
29   the introduction and development of legalized casino gaming in  
      Atlantic City, intense demands have been placed upon the

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the  
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 citizens of the greater Atlantic County region for the  
development and provision of integrated and adequate  
3 transportation systems. The Legislature finds that the orderly  
planning, development, construction, acquisition, financing and  
5 operation of modern transportation systems [on a countywide  
basis] in that region will benefit residents of, and visitors to, this  
7 State, promote the economic vitality of the region and the State,  
avoid the evils of haphazard growth and land-use development,  
9 and advance the efficient use of energy and other resources. The  
Legislature further finds that the present and future need for  
11 regional planning and development of transportation systems in  
the greater Atlantic County region is a wholly exceptional  
13 situation, no parallel to which exists, or is likely to exist in the  
near future, anywhere in the State.

15 The Legislature, therefore, declares that it is in the public  
interest of the citizens of this State to foster and promote by all  
17 reasonable means the provision of modern transportation and  
parking facilities in the greater Atlantic County region, and that  
19 the best means to accomplish this purpose is to [authorize the  
creation of] create an appropriate State regionally-oriented  
21 instrumentality [in the county] which will permit the most direct  
and immediate attention to the particular transportation needs of  
23 the greater Atlantic County region consistent with the need for,  
and procedures and structures established with respect to,  
25 efficient and convenient Statewide transportation systems.

The Legislature further finds and declares that the proper  
27 development of transportation systems, and particularly airport  
facilities, in the greater Atlantic County region is a matter of  
29 importance to the whole southern region of the State, and to the  
citizens of the State as a whole; that in order to assure this  
31 proper development it is necessary to provide for a State  
instrumentality characterized by appropriate regional orientation  
33 and representation and by greater guidance and support by State  
government; and that it is appropriate to amend and supplement  
35 this act for this purpose in order to assure continuity with respect  
to the public purposes and interests which the Legislature has in  
37 the past sought, and continues now to seek, to further with  
respect to the transportation needs of the region.

39 (cf: P.L. 1980, c. 44, s. 2)

1       4. Section 3 of P.L. 1980, c. 44 (C. 40:35B-3) is amended to  
read as follows:

3       3. As used in this act:

5       a. "Authority" or "County transportation authority" means [a  
county transportation authority] the South Jersey and Atlantic  
Transportation Authority created pursuant to section 4 of this act;

7       b. "Bonds" means any bonds, notes or other evidence of  
financial indebtedness issued by an authority pursuant to this act;

9       c. "Cost" means, in addition to the usual connotations thereof,  
the cost of acquisition or construction of all or any property,  
11       rights, easements and franchises deemed by an authority to be  
necessary or useful and convenient therefor, including interest or  
13       discount on bonds to finance such cost, engineering and inspection  
costs and legal expenses, the cost of financial, professional and  
15       other advice, and the cost of issuance of the bonds;

17       d. "Construction" means the planning, designing, construction,  
reconstruction, replacement, extension, enlargement,  
improvement and betterment of parking and transportation  
19       facilities, and includes the demolition, clearance and removal of  
buildings or structures on land acquired, held, leased or used for  
21       that facility;

23       e. "District" means the area within the boundaries of [the  
county which created the authority] Atlantic County, unless  
specifically enlarged pursuant to contracts authorized by this  
25       1988 amendatory and supplementary act;

27       f. "Parking facility" means any area or place, garage, building,  
or other improvement or structure for the parking or storage of  
motor or other vehicles, including, without limitation: all real and  
29       personal property, driveways, roads and other structures or areas  
necessary or useful or convenient for access to a facility from a  
31       public street, road or highway, or from any transportation  
facility; meters, mechanical equipment necessary or useful, or  
33       convenient for or in connection with that parking or storage; and  
any structures, buildings, space or accommodations, whether  
35       constructed by an authority or by the lessee, to be leased for any  
business, commercial or other use, including the sale of gasoline  
37       or accessories for, or the repair or other servicing of automobiles  
and other motor vehicles, if, in the opinion of an authority, the  
39       inclusion, provision and leasing is necessary to assist in defraying

1 the expenses of the authority and make possible the operation of  
the parking facility at reasonable rates, but the authority shall  
3 not itself engage in the sale of gasoline or accessories for, or in  
the repair or other servicing of, automobiles or other motor  
5 vehicles except in emergency, nor in the sale of any service or  
commodity of trade or commerce;

7 g. "Transportation facility" means any area, place, building, or  
other structure designed to provide rail passenger and freight  
9 service, motorbus regular route service, paratransit service,  
motorbus charter service, air passenger and freight service,  
11 ormarine passenger service, or any two or more of these services,  
to the public, and includes passenger stations, shelters and  
13 terminals, airports, air passenger terminals, runways, hangars,  
loading facilities, repair shops, parking areas, facilities for the  
15 preparation of in-flight meals, accommodations for temporary or  
over night use by passengers, retail areas, restaurants and  
17 facilities located within an airport or air passenger terminal, and  
other facilities functionally related to the needs or convenience  
19 of passengers, shipping companies, airlines, and commercial and  
industrial users, heliports, docking and launching facilities,  
21 parking facilities, ramps, track connections, signal systems,  
power systems, information and communication systems,  
23 roadbeds, transit lanes or rights of way, equipment storage and  
servicing facilities, bridges, grade crossings, rail cars,  
25 locomotives, motorbus and other motor vehicles, boats and other  
marine vehicles, aircraft, maintenance and garage facilities,  
27 revenue handling equipment and any other equipment, facility or  
property useful for or related to the provision of these services;

29 h. "Motorbus regular route service" means the operation of  
any motorbus or motorbuses on streets, public highways or other  
31 facilities, over a fixed route and between fixed termini on a  
regular schedule for the purpose of carrying passengers, for hire  
33 or otherwise, within the district or between points within the  
district and points without the district;

35 i. "Paratransit service" means any service, other than  
motorbus regular route service and charter service, including but  
37 not limited to, dial-a-ride, non-regular route, jitney or  
community minibus, and shared-ride services such as vanpools,  
39 limousines or taxicabs which are regularly available to the

1 public. Paratransit services shall not include limousine or taxicab  
service reserved for the private and exclusive use of individual  
3 passengers;

j. "Motorbus charter service" means subscription, tour and  
5 other special motorbus services;

k. "Rail passenger and freight service" means the operation of  
7 railroad, subway, or light rail systems including fixed and  
automated guideway systems for the purpose of carrying  
9 passengers or freight in the district or between points within the  
district and points without the district;

11 l. "Air passenger and air freight service" means any service  
which involves the carriage of persons or freight for  
13 compensation or hire by aircraft;

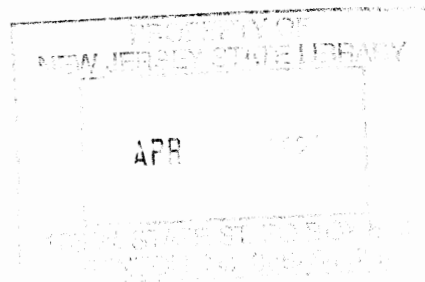
m. "Marine passenger service" means any service which  
15 involves the carriage of persons for compensation or hire by  
waterborne craft;

17 n. "Transportation system" means all parking and  
transportation facilities acquired, constructed, leased or operated  
19 by a county transportation authority for the purpose of providing  
to the public motorbus regular route service, paratransit service,  
21 motorbus charter service, rail passenger and freight service, air  
passenger and air freight service, marine passenger service and  
23 any other service necessary for the fulfillment of the purposes of  
this act; and,

25 o. "Public transportation" or "public transportation service"  
means motorbus regular route service, paratransit service,  
27 motorbus charter service, rail passenger and freight service, air  
passenger and air freight service, and marine passenger service.  
29 (cf: P.L. 1980, c. 44, s. 3)

5. Section 4 of P.L. 1980, c. 44 (C. 40:35B-4) is amended to  
31 read as follows:

4. a. [The governing body of any county in which is located a  
33 municipality in which casino gaming is authorized may by  
ordinance or resolution, as appropriate, create a public body  
35 corporate and politic with perpetual succession under the name  
and style of "the transportation authority" with the name of such  
37 county inserted. Every] There is established a South Jersey and  
Atlantic Transportation Authority, as a public body corporate and  
39 politic with perpetual succession. The authority is constituted an





1 instrumentality of the [county] State exercising public and  
essential governmental functions. For the purposes of Article V,  
3 Section IV, paragraph 1, the authority is allocated to the  
Department of Transportation, but shall, nevertheless, be  
5 independent of supervision and control of the department. The  
South Jersey and Atlantic Transportation Authority shall be the  
7 successor agency and continuation of the Atlantic County  
Transportation Authority. The authority shall constitute a  
9 political subdivision of the State established as an instrumentality  
exercising public and essential governmental functions to provide  
11 for the public safety, convenience, benefit and welfare, and the  
exercise by the authority of the powers conferred by this act and  
13 by the act of which this act is amendatory and supplementary  
shall be deemed and held to be an essential governmental  
15 function of the State.

b. The authority shall be governed by a board which shall  
17 consist of [seven] nine members. [Five members shall be  
residents of the county, and shall be appointed by the governing  
19 body of the county. One member shall be a representative of the  
county government, appointed by the governing body of the  
21 county from among the freeholders, department heads and  
division directors of the county. One member shall be the  
23 Commissioner of the Department of Transportation, ex officio.  
Of the six members appointed by the governing body of the  
25 county, no more than three shall be members of the same  
political party.] Three members shall be appointed by the  
27 governing body of the municipality in which casino gaming is  
authorized and shall be residents of the city. Three members  
29 shall be appointed by the governing body of the county in which  
that municipality is located, of whom two shall be residents of  
31 two of the three municipalities in which is located, or which  
border, the airport facility operated by the authority under this  
33 act. The appointment of two members by the county from among  
the residents of these municipalities shall be rotated among the  
35 three municipalities, so that at the expiration of the term of a  
member so appointed, the successor shall be a resident of the  
37 municipality not represented by an appointment during the term  
of the member to be succeeded. Three members shall be  
39 appointed by the Governor, with the advice and consent of the

1 Senate, and shall be residents of one of the eight southernmost  
2 counties of the State; that is, Cape May, Cumberland, Salem,  
3 Gloucester, Atlantic, Camden, Burlington, and Ocean counties.  
4 No more than two of the three members appointed by each  
5 appointing authority shall be of the same political party.  
6 Members shall be qualified for appointment by virtue of their  
7 knowledge of aviation, transportation, law, public finance, public  
8 administration or such other qualifications as would be  
9 appropriate to oversee the planning, management, and operation  
10 of an airport.

11 c. Each member of the board shall serve for a [5 year term to  
12 commence on July 1 of the year of appointment, except that, of  
13 those first appointed, one shall serve for a term of 1 year, one  
14 shall serve for a term of 2 years, one shall serve for a term of 3  
15 years, one shall serve for a term of 4 years, and one shall serve  
16 for a term of 5 years.

17 The representative of the county government shall be annually  
18 appointed to serve for a 1 year term to commence on July 1 of  
19 the year of appointment.] three year term, except that, of those  
20 first appointed by each appointing authority, one shall serve for a  
21 term of one year, one for a term of two years, and one for a term  
22 of three years. The terms of all initial members shall commence  
23 on the first day of the first full month occurring 90 days after the  
24 appointment by the Governor of his three members.

25 d. The chairman and vice-chairman of the board shall be  
26 [designated upon appointment by the county governing body from  
27 among the public members appointed thereby. The first chairman  
28 of the board shall be that member appointed by the county  
29 governing body for a initial 5 year term.] elected by the members  
30 from among themselves at the first meeting of the board  
31 occurring after the effective date of this 1988 amendatory and  
32 supplementary act or as soon thereafter as may be practicable.

33 e. The Commissioner of the Department of Transportation and  
34 the Administrator of the Federal Aviation Administration may  
35 each designate a representative from among the employees of his  
36 department or administration to represent him at meetings of the  
37 board and such designee may lawfully [vote] participate in all  
38 meetings, activities and proceedings of the board and otherwise  
39 act on behalf of the commissioner or administrator, but shall not

1 be entitled to vote. [The designation shall be made annually in  
writing delivered to the board and shall continue in effect until  
3 revoked or amended by written notice delivered to the board.]

f. [Except for the commissioner, each] Each member of the  
5 board shall have been a qualified voter of the State for at least  
one year preceding appointment. Each member shall hold office  
7 for the term of appointment and until his successor shall have  
been appointed and qualified. A member of the board may be  
9 removed from office for cause by the respective appointing  
authority. Any member of the authority may be removed by the  
11 Governor for incapacity, inefficiency, neglect of duty,  
misconduct in office or other disqualifying cause but only after  
13 he shall have been given a copy of the charges against him and,  
not sooner than 10 days thereafter, been afforded opportunity for  
15 a hearing, in person or by counsel, with respect to the charges. A  
vacancy in the membership of the board, occurring other than by  
17 expiration of term, shall be filled in the same manner as the  
original appointment for the unexpired term. [If the member  
19 representing the county government shall, for any reason, vacate  
his position with the county government his membership on the  
21 board shall immediately terminate, and the position shall be  
vacant.] If any [public] member shall become a holder of, or  
23 candidate for, any elective office, or accept appointment to fill  
any elective office, his membership on the board shall  
25 immediately terminate, and the position shall be vacant.

g. [A copy of the ordinance or resolution for the creation of an  
27 authority adopted pursuant to this section, duly certified by the  
appropriate officer of the county, shall be filed in the office of  
29 the Secretary of State and the office of the Director of the  
Division of Local Government Services. Upon proof of the filing,  
31 the authority shall, in any suit, action or proceeding involving the  
validity or enforcement of, or relating to, any contract or  
33 obligation or act of the authority, be conclusively deemed to have  
been lawfully and properly created and authorized to transact  
35 business and exercise its powers under this act. A copy of any  
certified ordinance or resolution, duly certified by or on behalf of  
37 the Secretary of State, shall be admissible in evidence in any suit,  
action or proceeding.] (Deleted by amendment, P.L. \_\_\_\_\_,  
39 c. \_\_\_\_\_).

1 h. A copy of each order or resolution appointing any member  
of an authority pursuant to this section, duly certified by the  
3 appropriate officer, shall be filed in the office of the Secretary  
of State [and the office of the Director of the Division of Local  
5 Government Services]. A copy of the certified order or  
resolution, duly certified by or on behalf of the Secretary of  
7 State, shall be admissible in evidence of the due and proper  
appointment of the member or members named therein.

9 i. The terms of all members of the Atlantic County  
Transportation Authority shall terminate upon the  
11 commencement of the terms of the initial members appointed  
pursuant to this 1988 amendatory and supplementary act.

13 (cf: P.L. 1980, c. 44, s. 4)

15 6. Section 5 of P.L. 1980, c. 44 (C. 40:35B-5) is amended to  
read as follows:

17 5. The governing body of any municipality in which any  
[transportation] airport facility of the authority is located, or  
which borders on the airport facility, and which is not entitled to  
19 appoint members to the board, may annually appoint a resident of  
the municipality as its representative to the board. The  
21 representative shall not be a member or an officer of the  
authority, but shall participate in all meetings, activities and  
23 proceedings of the board.

(cf: P.L.1980, c. 44, s. 5)

25 7. Section 7 of P.L. 1980, c. 44 (C. 40:35B-7) is amended to  
read as follows:

27 7. The [county transportation] authority, on or before July 10  
annually, shall organize and elect from among its members a  
29 chairman and a vice-chairman, [who shall hold office until his  
successor has been appointed and qualified] except as provided  
31 for the initial chairman and vice-chairman, pursuant to this 1988  
amendatory and supplementary act. The authority may also  
33 appoint as officers a secretary, an executive director, division  
directors, and a fiscal officer, who need not be members, and  
35 determine their qualifications, terms of office, duties and  
compensation. The authority may also employ, without regard to  
37 Title 11 of the Revised Statutes, engineers, architects, attorneys,  
accountants, construction and financial experts, superintendents,  
39 managers and such other agents and employees as it may require,

1 and determine their duties and compensation.

(cf: P.L. 1980, c. 44, s. 7)

3 8. Section 8 of P.L. 1980, c. 44 (C. 40:35B-8) is amended to  
read as follows:

5 8. a. The powers of the authority shall be vested in the  
members thereof in office from time to time, and a majority of  
7 its members shall constitute a quorum at any meeting thereof.  
Action may be taken and motions and resolutions adopted by the  
9 authority at any meeting by a vote of a majority of the members,  
unless the bylaws of the authority shall require a larger number.  
11 No vacancy in the membership of the board shall impair the right  
of a quorum to exercise all the rights and perform all the duties  
13 of the board.

b. The minutes of every meeting of the authority shall be  
15 promptly delivered by and under the certification of the  
secretary to the [chief executive officer of the county]  
17 Governor. No action taken at the meeting by the board shall be  
effective until approved by the [chief executive officer] Governor  
19 or until 10 days after the copy of the minutes shall have been  
delivered. If in the 10-day period, the [chief executive officer]  
21 Governor returns the copy of the minutes with a veto of any  
action taken by the board or any member thereof at the meeting,  
23 that action shall be of no effect. The [chief executive officer]  
Governor may approve all or any part of the action taken at that  
25 meeting prior to the expiration of the 10-day period. The veto  
powers accorded under this subsection shall not affect in any way  
27 the covenants contained in the bond indentures of the authority,  
nor any collective bargaining agreement or binding arbitration  
29 decision reached pursuant to this act.

(cf: P.L. 1980, c. 44, s. 8)

31 9. Section 9 of P.L. 1980, c. 44 (C. 40:35B-9) is amended to  
read as follows:

33 9. The authority may reimburse its members for necessary  
expenses incurred in the discharge of their duties. [The ordinance  
35 or resolution for the creation of the authority may authorize  
payment or compensation for service to members of the  
37 authority, other than the Commissioner of Transportation or the  
representative of the county government, within such annual or  
39 other limitations as may be stated in the ordinance or resolution.

1 Any such provision or limitation stated in the ordinance or  
2 resolution may be amended, supplemented, repealed or added by  
3 subsequent ordinance or resolution, as appropriate, but no  
4 reduction of the payment for compensation shall be effective  
5 during the remaining term of any member of the authority then in  
6 office, except upon that member's written consent.] No member  
7 shall receive any payment or compensation of any kind from the  
8 authority except as authorized by this section.

9 (cf: P.L. 1980, c. 44, s. 9)

10. Section 10 of P.L. 1980, c. 44 (C. 40:35B-10) is amended to  
11 read as follows:

12. No member, officer or employee of an authority shall have  
13 or acquire any interest, direct or indirect, in the transportation  
14 system or in any property included or planned to be included in  
15 the transportation system, or in any property adjacent to the  
16 transportation system which would directly benefit from that  
17 location, or in any contract or proposed contract for materials or  
18 services to be furnished to or used by the authority. No person  
19 who is an officer, director or employee of a holder of, or an  
20 applicant for, a casino license issued or to be issued under the  
21 "Casino Control Act" (P.L. 1977, c. 110; C. 5:12-1 et seq.) shall  
22 be [a member or] an officer of [an] the authority created pursuant  
23 to this 1988 amendatory and supplementary act, but no member,  
24 officer or employee of the authority shall be considered to be a  
25 State officer or employee or a special State officer or employee  
26 subject to the provisions of the "New Jersey Conflicts of Interest  
27 Law," P.L. 1971, c. 182 (C. 52:13D-12 et seq.) solely by virtue of  
28 that membership or employment.

29 (cf: P.L. 1980, c. 44, s. 10)

11. Section 12 of P.L. 1980, c. 44 (C. 40:35B-12) is amended to  
31 read as follows:

12. The [governing body of any county which has created an  
32 authority pursuant to this act may, by ordinance or resolution, as  
33 appropriate, dissolve that] authority may be dissolved by law on  
34 the condition that: a. either the members of the authority have  
35 not been appointed or the authority by resolution has consented  
36 to its dissolution; and, b. the authority has no debts or obligations  
37 outstanding. [A copy of the ordinance or resolution, as the case  
38 may be, for the dissolution of the authority pursuant to this

1 section duly certified by the appropriate officer of the county  
shall be filed in the office of the Secretary of State, and the  
3 Director of Local Government Services.] Upon proof [of the  
filing, and upon proof] that either the authority had no debts or  
5 obligations outstanding [at the time of the adoption of the  
ordinance or resolution], or all creditors or other obligees of the  
7 authority have consented to the [ordinance] dissolution, the  
authority shall be conclusively deemed to have been lawfully and  
9 properly dissolved and the property of the authority shall be  
vested in the [county adopting the ordinance or resolution] State,  
11 in the manner prescribed therein. [A copy of the ordinance or  
resolution, duly certified by or on behalf of the Secretary of  
13 State, shall be admissible in evidence in any action, or  
proceeding, and shall be conclusive evidence of proper filing.]  
15 (cf: P.L. 1980, c. 44, s. 12)

12. Section 14 of P.L. 1980, c. 44 (C. 40:35B-14) is amended to  
17 read as follows:

14. The authority shall prepare, or cause to be prepared, and,  
19 after public hearing, adopt a master plan for the development  
within the district of a transportation system. The authority may  
21 from time to time, after public hearing and pursuant to the  
procedures provided in this act, amend the master plan. The  
23 master plan shall include a report presenting the objectives,  
assumptions, standards and principles embodied in the various  
25 coordinated parts of the master plan. In preparing the master  
plan or any amendment thereto, the authority shall consult with  
27 the State Department of Transportation, the New Jersey Transit  
Corporation, the Federal Aviation Administration, and any other  
29 State or any Federal agency having an interest in the  
development of transportation in the district.

31 In preparing the master plan or any amendment thereto, the  
authority shall consider the existing and proposed patterns of land  
33 use development of municipalities within the district. In  
addition, the master plan shall contain the following elements:

35 a. An identification of existing and projected needs of the  
district for efficient, economical and integrated public  
37 transportation services, and proposed programs to provide and  
promote an efficient, economical and integrated transportation  
39 system to meet those needs;

1       b. An identification of the services, facilities and other  
2 elements to be acquired, constructed, leased, operated and  
3 provided within the transportation system, and a program for the  
4 acquisition, construction, lease, operation and provision of those  
5 services, facilities and other elements, which program may be  
6 timed by various stages for the development of the transportation  
7 system;

8       c. Plans for the preservation, improvement and expansion of  
9 the transportation system, with special emphasis on the  
10 coordination: (1) of airport facilities, transportation and parking  
11 facilities to be acquired, constructed or leased; (2) of air  
12 passenger, air freight and other transportation services to be  
13 operated or provided; and, (3) of the use of rail rights of way,  
14 highways and public streets for transportation services;

15       d. Plans for the coordination of the activities of the authority  
16 with other public agencies and authorities, and, with respect to  
17 airport facilities, for the protection of the research and  
18 development mission of the Federal Aviation Technical Center at  
19 Pomona and of the defense functions of the Air National Guard;  
20 and,

21       e. An identification of existing parking and transportation  
22 facilities within the district to be acquired under this act.

23       The authority shall submit the master plan and any amendment  
24 thereto to such independent transportation planning agency as  
25 may be designated by the Commissioner of Transportation, or as  
26 shall be established by law, prior to the adoption thereof. The  
27 agency may approve, conditionally approve, or disapprove the  
28 master plan or amendment. If the agency shall approve the  
29 master plan or amendment, the authority may adopt the master  
30 plan or amendment as approved. If the agency shall disapprove  
31 the master plan or amendment, it shall return the master plan or  
32 amendment to the authority with its objections thereto. The  
33 authority shall resubmit the master plan or amendment to the  
34 agency with changes designed to conform the master plan or  
35 amendment with the objections of the agency. The agency shall  
36 approve the resubmitted master plan or amendment if it  
37 conforms with the objections, and the authority upon that  
38 approval shall then adopt the master plan or amendment as  
39 approved. If the agency shall conditionally approve the master



1 plan or amendment, it shall return the master plan or amendment  
2 to the authority with the specific changes it requires therein for  
3 approval. The authority shall then make those specific changes in  
4 the master plan or amendment, and shall adopt the master plan or  
5 amendment with the changes.

6 Upon adoption, the master plan and any amendment thereof  
7 shall be filed with the Governor, the State Department of  
8 Transportation, the New Jersey Transit Corporation, the Federal  
9 Aviation Administration, the governing body of [the county]  
10 Atlantic County, the governing body of [the] each municipality  
11 [having the largest population] within [the] that county, and the  
12 governing body of each county and municipality in which  
13 authority transportation or parking facilities are located.

(cf: P.L. 1980, c. 44, s. 14)

15 13. Section 15 of P.L. 1980, c. 44 (C. 40:35B-15) is amended to  
16 read as follows:

17 15. In addition to the powers and duties conferred upon it  
18 elsewhere in this act, the authority may do all acts necessary and  
19 reasonably incident to carrying out the objectives of this act,  
20 including, but not limited to, the following:

21 a. To adopt and have a common seal and to alter it at pleasure;  
22 b. To sue and be sued;  
23 c. To acquire, hold, use and dispose of its charges and other  
24 revenues and other moneys in its own name;

25 d. In its own name, but for the [county] State, to acquire, rent,  
26 hold, use and dispose of other personal property for the purposes  
27 of the authority, and to acquire by purchase, gift, condemnation  
28 or otherwise, or lease as lessee, real property and easements  
29 therein, necessary or useful and convenient for the purposes of  
30 the authority, whether subject to mortgages, deeds of trust or  
31 other liens, or otherwise, and to hold and to use the same, and to  
32 dispose of property so acquired no longer necessary for the  
33 purposes of the authority;

34 e. To grant by franchise, lease or otherwise, the use of any  
35 project, facilities or property owned and controlled by it to any  
36 person for such consideration and for such period or periods of  
37 time and upon such other terms and conditions as it may fix and  
38 agree upon, including, but not limited to, the condition that the  
39 user shall or may construct or provide any buildings or structures

1 or improvements on the project, facilities or property, or portions thereof;

3 f. To provide for and secure the payment of any bonds and the rights of the holders thereof, and to purchase, hold and dispose of  
5 any bonds;

7 g. To determine the exact location, type and character of and all matters in connection with all or any part of the transportation system which it is authorized to own, construct, establish, effectuate, operate, or control and to enter on any  
9 lands, waters or premises for the purpose of making such surveys, diagrams, maps or plans or for the purpose of making such  
11 soundings or borings as it deems necessary or convenient;

13 h. To make and enforce bylaws or rules and regulations for the management and regulation of its business and affairs and for the use, maintenance and operation of the transportation system and  
15 any other of its properties, and to amend the same; it shall publish the same and file them in accordance with the  
17 "Administrative Procedure Act," P.L. 1968, c. 410 (C. 52:14B-1 et seq.) with the Director of the Office of Administrative Law;

19 i. To acquire, purchase, construct, lease, operate, maintain and undertake any parking or transportation facility and to make service charges for the use thereof;

23 j. To call to its assistance and avail itself of the service of any employees of any Federal, State, county or municipal  
25 department, authority or other agency as it may require and as may be available to it for its purposes;

27 k. To plan, design, construct, equip, operate, improve and maintain, either directly or by contract with any public or private  
29 entity, public transportation services, parking and transportation facilities or any parts or functions thereof, and other  
31 transportation projects, or any parts or functions thereof;

33 l. To apply for, accept and expend money from any Federal, State or county or municipal agency or instrumentality, and from any private source; comply with Federal and State statutes, rules  
35 and regulations; and qualify for and receive all forms of financial assistance available under federal law to assure the continuance  
37 of, or for the support or improvement of public transportation, and as may be necessary for that purpose to enter into  
39 agreements, including federally required labor protective

1 agreements;

3 m. To restrict the rights of persons to enter upon or construct  
any works in or upon any property owned or leased by the  
authority, except under such terms as the authority may  
5 prescribe; perform or contract for the performance of all acts  
necessary for the management, maintenance and repair of real or  
7 personal property leased or otherwise used or occupied pursuant  
to this act;

9 n. To set and collect fares and determine levels of service for  
service provided by the authority either directly or by contract,  
11 including, but not limited to, such reduced fare programs as  
deemed appropriate by the authority. Revenues derived from this  
13 service may be collected by the authority and shall be available  
to the authority for use in furtherance of any of the purposes of  
15 this act;

o. To set and collect rentals, fees, charges or other payments  
17 from the lease, use, occupancy or disposition of properties owned  
or leased by the authority. Such revenues shall be available to  
19 the authority for use in furtherance of any of the purposes of this  
act;

21 p. To deposit authority revenues in interest bearing accounts  
or in the State of New Jersey Cash Management Fund established  
23 pursuant to section 1 of P.L. 1977, c. 28 (C. 52:18A-90.4);

q. To procure and enter into contracts for any type of  
25 insurance and indemnify against loss or damage to property from  
any cause, including loss of use and occupancy, against death or  
27 injury of any person, against employees' liability, against any act  
of any member, officer, employee or servant of the authority,  
29 whether part-time, full-time, compensated or noncompensated,  
in the performance of the duties of his office or employment, or  
31 any other insurable risk. In addition, the authority may carry its  
own liability insurance;

33 r. To promote the use of authority services, coordinate ticket  
sales and passenger information and sell, lease or otherwise  
35 contract for advertising in or on the equipment or facilities of  
the authority;

37 s. To adopt and maintain employee benefit programs for  
employees of the authority including, but not limited to, pension,  
39 deferred compensation, medical, disability, and death benefits,

1 and which programs may utilize insurance contracts, trust funds,  
and any other appropriate means of providing the stipulated  
3 benefits, and may involve new plans or the continuation of plans  
previously established by entities acquired by the authority;

5 t. To own, vote, and exercise all other rights incidental to the  
ownership of shares of the capital stock of any incorporated  
7 entity acquired by the authority pursuant to the powers granted  
by this act;

9 u. To apply for and accept, from appropriate regulatory  
bodies, authority to operate public transportation services where  
11 necessary;

v. To delegate to subordinate officers of the authority such  
13 powers and duties as the authority shall deem necessary and  
proper to carry out the purposes of this act;

15 w. To enter into any contracts, execute any instruments, and  
do and perform any acts or things necessary, convenient or  
17 desirable for the purposes of the authority or to carry out any  
power expressly given in this act, subject to sections 16 and 17 of  
19 this act.

x. To establish by the promulgation of rules and regulations  
21 pursuant to the "Administrative Procedure Act," P.L. 1968, c.  
410 (C. 52:14B-1 et seq.), a plan for the management, control and  
23 regulation of motorbus regular route and motorbus charter  
services within the district and as specifically set forth in this  
25 1983 amendatory and supplementary act, except those services  
which are operated pursuant to "The New Jersey Public  
27 Transportation Act of 1979," P.L. 1979, c. 150 (C. 27:25-1 et  
seq.). A public hearing shall be held on these proposed rules and  
29 regulations pursuant to subsections (a) and (g) of section 4 of the  
"Administrative Procedure Act," P.L. 1968, c. 410 (C. 52:14B-4)[;  
31 and].

y. To receive and accept aid, donation or contribution from  
33 any public or private source, of either money, property, labor or  
other things of value, to be held, used and applied only for the  
35 purposes for which such aid, donation or contribution may be  
made.

37 z. To establish, by resolution, and charge fees for the review  
by the authority of development proposals for transportation  
39 facilities within the district.

1     aa. To enter into agreements with educational institutions to  
2     facilitate the development of educational and training programs  
3     in aviation, aeronautics, air traffic control, or similar programs  
4     designed to increase technical or managerial skills related to the  
5     management and operation of airport facilities.

(cf: P.L. 1983, c. 242, s. 1.)

7     14. Section 18 of P.L. 1980, c. 44 (C. 40:35B-18) is amended to  
8     read as follows:

9     18. The authority may enter into contracts with any public or  
10    private entity for the provision of adequate public transportation  
11    and parking facilities; but with the exception of marine and air  
12    passenger and freight service, the authority may not contract for  
13    public transportation services beyond the district without the  
14    written consent of the New Jersey Transit Corporation created  
15    under P.L. 1979, c. 150 (C. 27:25-1 et seq.) and the Commissioner  
16    of Transportation unless the services were provided or authorized  
17    to be provided by a public or private entity acquired by the  
18    authority and only to the extent that the acquired entity is  
19    providing or is authorized to provide the services.

20    A contract entered into with a public entity outside the district  
21    pursuant to this section may provide that the territorial limits of  
22    that entity shall be included within the district for the purposes  
23    of the authority's master plan and its other powers and  
24    responsibilities, but only with respect to the public transportation  
25    services or facilities set forth in the contract. The contract shall  
26    be subject to the approval of the Commissioner of Transportation.

27    (cf: P.L. 1980, c. 44, s. 18)

28    15. Section 36 of P.L. 1980, c. 44 (C. 40:35B-36) is amended to  
29    read as follows:

30    36. a. The authority may acquire by purchase, condemnation,  
31    lease, gift or otherwise, on terms and conditions and in the  
32    manner it deems proper, for use by the authority or for use by  
33    any other public or private entity providing rail passenger and  
34    freight, motorbus regular route, paratransit, marine passenger,  
35    air passenger and freight or motorbus charter services, all or part  
36    of the facility, plant, equipment, property, shares of stock, rights  
37    of property, reserve funds, employees' pension or retirement  
38    funds, special funds, franchises, licenses, patents, permits and  
39    papers, documents and records of a public or private entity

1 providing that service within the district.

2 b. The authority may acquire by purchase, condemnation,  
3 lease, gift or otherwise, on the terms and conditions and in the  
4 manner it deems proper, any land or property, real or personal,  
5 tangible or intangible which it may determine is reasonably  
6 necessary for the purposes of the authority under the provisions  
7 of this act.

8 c. (1) The authority, when acquiring property pursuant to  
9 subsections a. or b. of this section shall exercise its power of  
10 eminent domain in accordance with the provisions of the  
11 "Eminent Domain Act of 1971," P.L. 1971, c. 361 (C. 20:3-1 et  
12 seq.).

13 (2) As used in this act, the definition of property in section 2  
14 of P.L. 1971, c. 361 (C. 20:3-2) includes all property referred to  
15 in subsections a. or b. of this section, and the provisions of  
16 P.L. 1971, c. 361 shall apply to that property.

17 d. (1) If the authority shall determine to acquire by  
18 condemnation all outstanding shares of corporate stock of a  
19 company, and if the stock is owned by 10 or more individuals or  
20 entities, the court, on application of the authority, shall appoint a  
21 trustee who shall act as representative of all stockholders for the  
22 purpose of the condemnation proceedings. Upon the appointment  
23 of a trustee, the authority may file a single condemnation action  
24 condemning all outstanding shares of stock and naming the  
25 appointed trustee as representative of all defendant owners.

26 (2) When a trustee has been appointed pursuant to this section,  
27 the court may award the trustee a reasonable fee as payment for  
28 services rendered. Other costs, expenses and fees shall be paid  
29 from the proceeds of the condemnation award or settlement if  
30 amicably resolved.

31 e. A State agency, State authority, county, municipality,  
32 bistate authority, or other political subdivision of the State is  
33 authorized to donate, give, transfer or assign any asset or  
34 property it now owns or may hereafter acquire to the authority  
35 which may be necessary for the furtherance of the objectives of  
36 this act.

37 f. Upon the filing of a declaration of taking the authority shall  
38 be entitled to the immediate possession of all property and assets  
39 named therein; and in the case of a condemnation pursuant to

1 subsection d. or the acquisition of the entire assets of any entity,  
the authority shall be entitled to immediate possession and  
3 control of all assets and facilities and shall have exclusive  
management authority over the entity taken.

5 (cf: P.L. 1980, c. 44, s. 36)

16. Section 43 of P.L. 1980, c. 44 (C. 40:35B-43) is amended to  
7 read as follows:

43. Any county or municipality within the district may from  
9 time to time, pursuant to ordinance or resolution, as appropriate,  
of its governing body, and for such period and upon such terms,  
11 with or without consideration, as may be provided in the  
ordinance or resolution, as the case may be, and accepted by the  
13 authority, appropriate money for all or any part of the cost of  
acquisition or construction of the transportation system of the  
15 authority.

The State, county or any municipality within the district may  
17 enter into agreements with the authority for the provision of such  
assistance as the authority may require, and for such periods as  
19 may be necessary, for the acquisition, construction, improvement  
and operation of the transportation system, subject to the  
21 appropriation of funds therefor.

Prior to commencing operation of a new civil aviation  
23 terminal, or a new or expanded airport runway, the authority  
shall develop and adopt, by resolution, an impact plan setting  
25 forth measures to be taken by the authority to mitigate any  
deleterious effects which increased airport activity related to the  
27 terminal or runway may have on neighboring communities or  
municipalities, which shall include, but not be limited to, a plan  
29 to compensate municipalities for fire, ambulance, police or other  
emergency services rendered by those municipalities in  
31 connection with airport activity, and a noise mitigation program  
in accordance with Federal aviation regulations concerning  
33 airport noise compatability planning programs.

(cf: P.L. 1980, c. 44, s. 43)

35 17. (New section) The authority shall establish such operating  
divisions as it deems necessary within the authority and under its  
37 jurisdiction with the responsibility of each division to be  
determined by the authority, except as follows. One operating  
39 division shall be the "airport division" with the responsibility for

1 the construction, enlargement, maintenance, improvement,  
2 repair, operation and support of airports. The airport division  
3 shall be headed by a director with knowledge and experience in  
4 aviation or aeronautics. One operating division shall be the  
5 "motorbus and parking facilities division" with the responsibility  
6 for the provision to the public of those services heretofore  
7 provided by the county transportation authority prior to the  
8 effective date of this 1988 amendatory and supplementary act.  
9 The division shall be headed by a director with knowledge and  
10 experience in these services. The establishment and existence of  
11 these operating divisions shall in no way diminish or impair the  
12 rights, duties, powers, responsibilities and obligations of the  
13 authority as provided by law.

14 18. (New section) a. The authority may, by resolution, provide  
15 for the establishment of an airport security police force and for  
16 the appointment of airport security police officers for authority  
17 airport facilities.

18 b. Applications for the position of airport security police  
19 officer shall be forwarded to the chief law enforcement officer  
20 of the county in which the airport facility is located, who shall  
21 investigate and determine the character, competency, integrity  
22 and fitness of the applicant. If the chief law enforcement officer  
23 of the county shall approve the application, he shall issue a  
24 commission to the person appointed, a copy of which shall be  
25 filed in the office of the Superintendent of State Police and with  
26 the chief of police of each municipality in the district.

27 c. Each person so appointed and commissioned shall, within  
28 one year of the date of his commission, successfully complete a  
29 police training course at a school approved and authorized by the  
30 Police Training Commission, unless the Police Training  
31 Commission excepts the person from the requirement on the basis  
32 that the person has previously successfully completed a police  
33 training course conducted by a federal, State or other public or  
34 private agency, the requirements of which are substantially  
35 equivalent to those of a school approved by the commission.

36 d. Persons so appointed and commissioned shall, while on duty,  
37 within the limits of airport property of the authority, possess all  
38 the powers of policemen in criminal cases and offenses against  
39 the law, and shall be considered to be law enforcement officers



1 for the purposes of Chapter 39 of Title 2C of the New Jersey  
Statutes.

3 e. In connection with traffic and parking violations, airport  
security police officers shall, while on duty and within the limits  
5 of airport property, have the power to enforce the laws  
regulating traffic and the operation of motor vehicles, and to  
7 issue and use traffic tickets and summonses of a type similar to  
those used by the New Jersey State Police. Upon the issuance of  
9 a traffic or parking ticket or summons by an airport security  
police officer, a copy thereof shall be sent to the municipality in  
11 which the airport is located. Following the receipt of a ticket or  
summons, the municipality shall proceed as if the municipality  
13 had issued the ticket or summons.

f. Each airport security police officer, when on duty, except  
15 when employed as a detective, shall wear in plain view a  
nameplate and a metallic shield with the word "police" and the  
17 name or style of the authority.

g. Nothing in this section shall limit or impair the rights and  
19 powers of any State, county or municipal law enforcement officer  
in the performance of his duties.

21 19. (New section) a. All bondholders and other creditors of the  
Atlantic County Transportation Authority and persons having  
23 claims against or contracts with that county transportation  
authority of any kind or character may enforce such debts, claims  
25 and contracts against the South Jersey and Atlantic  
Transportation Authority as the successor to that county  
27 transportation authority, and the rights and remedies of  
bondholders, creditors and persons having claims or contracts  
29 shall not be limited or restricted in any manner by this 1988  
amendatory and supplementary act. All property, rights and  
31 powers of that county transportation authority are hereby vested  
in and shall be exercised by the South Jersey and Atlantic  
33 Transportation Authority, subject, however, to all pledges,  
covenants, agreements and trusts made or created by that county  
35 transportation authority. All debts, liabilities, obligations,  
agreements and covenants of that county transportation  
37 authority, except to the extent otherwise specifically provided or  
established to the contrary in this 1988 amendatory and  
39 supplementary act, are hereby imposed upon the South Jersey and

1 Atlantic Transportation Authority. In continuing the functions  
and carrying out the contracts, obligations and duties of that  
3 county transportation authority, the South Jersey and Atlantic  
Transportation Authority is hereby authorized to act in its own  
5 name or in the name of the county transportation authority as  
may be convenient or advisable under the circumstances from  
7 time to time.

b. All officers and employees of that county transportation  
9 authority shall continue in that or similar office or employment  
with the South Jersey and Atlantic Transportation Authority, and  
11 shall not be dismissed from such office or employment, except  
for good cause and after an opportunity to be heard, for one year  
13 after the effective date of this 1988 amendatory and  
supplementary act. Nothing in this 1988 amendatory and  
15 supplementary act shall affect the civil service status, if any, of  
those officers or employees or their rights, privileges, obligations  
17 or status with respect to any pension or retirement system. Any  
collective bargaining agreements entered into by that county  
19 transportation authority with any of its employees shall continue  
in effect for the term of the agreement, notwithstanding that the  
21 employees affected by the agreement shall be employees of the  
South Jersey and Atlantic Transportation Authority, but the  
23 agreement shall be binding for both the employees and the South  
Jersey and Atlantic Transportation Authority. The provisions of  
25 this subsection shall not apply to any officer or employee  
appointed or employed, or any collective bargaining agreement  
27 entered into, on or after the date of enactment of this 1988  
amendatory and supplementary act.

29 c. Any references to that county transportation authority in  
any law or regulation shall be deemed to refer and apply to the  
31 South Jersey and Atlantic Transportation Authority.

d. All regulations of the county transportation authority shall  
33 continue to be in effect as the regulations of the South Jersey  
and Atlantic Transportation Authority until amended,  
35 supplemented or rescinded in accordance with law.

20. (New section) In order to assist in the transition to the new  
37 structure and responsibilities of the authority set forth in this  
1988 amendatory and supplementary act, the State Treasurer and  
39 the Commissioner of the Department of Transportation shall

1 prepare and submit to the board of the authority upon its  
organization after the effective date of this amendatory and  
3 supplementary act a transition budget to provide for the  
continuation of services previously performed by the county  
5 transportation authority, and for the commencement of new  
responsibilities to be performed by the authority, which budget  
7 shall govern the authority's financial operations until it shall  
adopt a budget for a full fiscal year. The State Treasurer and  
9 Commissioner shall, in preparing the transition budget, take into  
account all revenues, assets and liabilities continuing from the  
11 county transportation authority and any appropriations provided  
by the Legislature to the authority. The budget so submitted  
13 shall be part of the minutes of the authority, along with any  
amendments or other alterations made by the board of the  
15 authority.

21. (New section) a. The authority shall, on or before  
17 February 28 of each year, adopt, by resolution and after public  
hearing, a proposed operational and capital budget for the fiscal  
19 year commencing July 1 of that year. The budget so proposed  
shall be in such form and contain such information and supporting  
21 documentation as the State Treasurer shall by rule or regulation  
require. The proposed budget shall be submitted within 15 days  
23 of adoption to the State Treasurer and the Commissioner of the  
Department of Transportation for review. The State Treasurer  
25 shall complete his review within 30 days after submission, and  
shall return the proposed budget to the authority along with any  
27 written recommendations for changes in the budget, or in the  
rates or charges levied by the authority, which the State  
29 Treasurer may deem necessary to provide for the sound financial  
conduct of the public services of the authority, and to protect the  
31 fiscal integrity of the authority's projects and facilities.

Upon receipt of the recommendations of the State Treasurer,  
33 the authority may proceed to adopt by resolution the budget for  
the ensuing fiscal year. The State Treasurer's recommendations  
35 shall be placed in the minutes of the authority, and the authority  
shall take action to adopt or not each recommendation so that  
37 each such action appears in the authority minutes. The budget  
shall be deemed finally adopted only upon completion of the  
39 Governor's review of the minutes and of any actions by the

1 Governor and the authority resulting from that review.

2 b. The State Treasurer in reviewing the proposed budget of the  
3 authority shall consider and make recommendations to the  
4 Governor for State appropriations to the authority to be included  
5 in the State budget for the ensuing State fiscal year. The  
6 Governor shall include in his proposed annual budget such  
7 amounts to be appropriated to the authority in the ensuing State  
8 fiscal year as the Governor deems necessary or advisable to  
9 provide for the sound financial conduct of the public services of  
10 the authority, and to protect the fiscal integrity of the  
11 authority's projects and facilities. The Governor may propose  
12 that the payment of the appropriated amount to the authority  
13 shall be contingent upon the taking of certain actions by the  
14 authority with respect to its rates or charges or other financial  
15 matters, or upon the taking of certain actions by particular local  
16 governmental units in financial support of the authority.  
17 Payments of State moneys to the authority shall be subject to  
18 legislative appropriations therefor, and within the limits and  
19 conditions established by law.

20 22. (New section) The Legislature finds and declares that the  
21 proper development of transportation systems in the Atlantic  
22 County region requires the establishment, improvement and  
23 modernization of an airport to provide air passenger and freight  
24 services, and that the following conditions are conducive to that  
25 development:

26 a. The relinquishment by the City of Atlantic City to the  
27 authority of any interest, whether by reversion or otherwise, in  
28 the properties located in Egg Harbor township, county of  
29 Atlantic, held by the Federal Aviation Administration and known  
30 as the Atlantic City International Airport; and,

31 b. The transfer of property now owned by the City of Atlantic  
32 City in and around the Atlantic City Airport, and consisting of  
33 approximately 83 acres of land, to the authority.

34 The Governor is hereby authorized, on behalf of the authority  
35 and prior to its organization under this 1988 amendatory and  
36 supplementary act, to enter into such agreements or contracts,  
37 and to make such acquisition, disposition, transfer, or other  
38 action relating to the change in ownership of these properties and  
39 interests, as shall be necessary for accomplishing the purposes of

1 this section.

3 No agreement or contract entered into by the Governor  
5 pursuant to this section shall be executed without prior written  
7 approval of the presiding officers of both houses of the  
Legislature. The Governor shall submit, for the advice and  
consent of the Senate, his nominations for appointment to the  
authority only after the execution of the contract or agreement.

23. (New section) There is appropriated to the South Jersey  
and Atlantic Transportation Authority the sum of \$500,000 to  
assist in the transition of the authority to new responsibilities and  
structure.

24. This act shall take effect immediately, but sections 1  
through 21 and section 23 shall not become operative until such  
time as a contract or agreement is executed pursuant to section  
22 of this act.

#### STATEMENT

This bill establishes a South Jersey and Atlantic Transportation  
Authority by revising the law under which the Atlantic County  
Transportation Authority is governed to provide the basis for the  
operation and improvement of the Atlantic City International  
Airport by a suitable regional public instrumentality. At the  
same time, the legislation recognizes the strong State interest in  
the development of the transportation system of that region by  
transforming the county authority to a State instrumentality,  
augmenting its powers and responsibilities and providing for  
expanded regional representation on the authority. The  
membership of the authority would be nine members, appointed in  
equal numbers by the Governor, the county of Atlantic, and the  
city of Atlantic City. The Governor's appointments would  
represent the eight South Jersey counties. The Commissioner of  
the Department of Transportation and the Administrator of the  
Federal Aviation Administration would sit as ex-officio,  
nonvoting members.

As a State instrumentality, the authority would be subject to  
gubernatorial veto of the minutes of the authority. The  
authority's transportation master plan and amendments thereof

1 would be subject to State DOT approval. The authority's annual  
capital and operating budget would be subject to review by the  
3 State Treasurer and to veto by the Governor through the  
authority minutes, prior to final budget adoption.

5 The new authority is constituted the successor to the existing  
county transportation authority, with additional powers and  
7 responsibilities related to airport development. The transition to  
the new authority structure is contingent upon the transfer of  
9 Atlantic City's interests in the airport to the authority. The  
Governor is authorized to enter into contracts and agreements to  
11 this effect, with the contract or agreement subject to written  
approval of the presiding officers of the Houses of the  
13 Legislature. After the entering into of the contract or  
agreement, the Governor's appointments would be made, subject  
15 to advice and consent of the Senate. The transition to the new  
structure is timed to occur at the beginning of the full month  
17 occurring 90 days after the Governor's appointments are made.

To assist in the transition, the State Treasurer and the  
19 Commissioner of Transportation are jointly required to develop  
an interim, transition budget for the authority. The legislation  
21 appropriates \$500,000 to the authority for use in making the  
transition to new structure and responsibilities.

23

## 25 AUTHORITIES AND REGIONAL COMMISSIONS

### Air Transportation

27

Establishes South Jersey and Atlantic Transportation Authority as  
29 State instrumentality for operation and improvement of airport  
facilities, appropriates \$500,000.



## TABLE OF CONTENTS

	<u>Page</u>
Assemblyman J. Edward Kline District 2	1
Assemblywoman Dolores G. Cooper District 2	2
Mayor James L. Usry Atlantic City, New Jersey	9
Richard E. Squires Atlantic County Executive	20
Mayor Margaret Worthington Galloway Township, New Jersey	22
F. Frederick Perone, Esq. Counsel Egg Harbor Township, New Jersey	23
Senator William L. Gormley District 2	28
Raymond Townshend Hamilton Township, New Jersey	28
Larry Bouchonville Hamilton Walk	32
Dr. Raymond Pennie Sierra Club and New Jersey Environmental Lobby	41
Wade Lawson Executive Director Atlantic County Transportation Authority	42
Marlene Z. Asselta Executive Director Southern New Jersey Development Council	42
Thomas D. Carver President Casino Association of New Jersey	47





TABLE OF CONTENTS (continued)

Page

APPENDIX:

Testimony presented by  
Thomas D. Carver before  
the Senate Transportation  
and Communications Committee  
on October 18, 1988

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mjz: 1-52



**ASSEMBLYMAN WILLIAM "PAT" SCHUBER (Chairman):** This is a special meeting of the Assembly Independent Authorities Committee here in Atlantic City, to consider A-3184 sponsored by Assemblymen Kline and Marsella, which would establish the South Jersey and Atlantic Transportation Authority as a State instrumentality for the operation and improvement of airport facilities, and it appropriates \$500,000 for that purpose.

This is the third of a series of meetings that this Committee has been holding with regard to this particular piece of legislation. This is our first in the area that would be affected by the establishment of the Transportation Authority and the establishment of the airport itself.

Our first witness is a sponsor of the legislation, Assemblyman Ed Kline. If I might, Ed, just before your testimony, let me introduce the members of the Committee who are here. On my right is the Vice Chairman of the Committee, Ralph Loveys, from Morris County; Ed Westreich from OLS, our legislative research arm; Assemblyman Dennis Riley, to my left; and Assemblywoman Marion Crecco. Oh, I'm sorry, and Mike Torpey, from the Majority staff. Assemblyman Lou Gill could not make it today.

This Committee meeting will adjourn at 12 noon. We will try to get all of the witnesses in who have signed up, but there is another meeting that the Committee is going on to. Ed?

**A S S E M B L Y M A N J. E D W A R D K L I N E:** Thank you, Pat, and good morning, everyone. Thank you, first of all, for holding this public meeting on the airport authority and the transportation network they are trying to develop in Atlantic County, here in Atlantic City.

I am going to be very brief, because I feel there are a lot of people today who would like to speak to the Committee. This is the third meeting. I have spoken to you as a group -- as a Committee -- on two previous occasions. Therefore, I will be very brief, and just say that today is a

day for Atlantic County residents. There are a few here, people who were not able to drive the distance to Trenton. They would like to testify before this Committee, so you can get an idea of the feelings of the communities surrounding the Atlantic City area.

I think being here this week with the League of Municipalities has given the Committee an opportunity to see the growth in Atlantic City, the casinos in operation, the traffic jams, and the needs for not only the airport, but other items that are needed to help generate and make this community a better place to live.

So, with that, I would like to see the Committee move on. Again, I thank you for holding this meeting in Atlantic City today.

ASSEMBLYMAN SCHUBER: Well, we appreciate that, Ed. Certainly, I think there have been a number of times we have come down on different issues that affect Atlantic City, Atlantic County, and South Jersey, but this is the first time we have come down on this issue. There is no doubt in my mind that every time we come down here, the Committee has come away with a greater feel for the concerns of the residents in this area. It has been a very important educational process for the Committee.

ASSEMBLYMAN RILEY: Yeah, we always lose money.

ASSEMBLYMAN SCHUBER: Assemblywoman Dolores Cooper?

A S S E M B L Y W O M A N D O L O R E S G. C O O P E R: Good morning, Mr. Chairman, and members of the Committee. It is indeed a pleasure to have you down on our turf for a change, as my colleague just said, to share the warmth and hospitality of Atlantic City and Atlantic County.

Of course, I have testified before, but there are many here who do not know the impact or my concerns. I will begin by saying I want to thank you for this opportunity to appear before you today to offer my views on legislation of great

importance, not only to my constituents in Atlantic County, but to every citizen in New Jersey.

In essence, Senate Bill 2537 and its companion, A-3184, in the Assembly, will establish a public authority to operate and improve airport facilities at the site of the Atlantic City International Airport in Pomona. I must repeat, in Pomona, because there are still many people who are confused with Bader Field.

The legislation would replace the current Atlantic City Transportation Authority, known as ACTA, with a new agency -- the South Jersey and Atlantic Transportation Authority. This new authority would consist of nine voting members, three of whom would be appointed by the government of Atlantic County, three of whom would be appointed by Atlantic City, and the remaining three by the Governor, the Commissioner of Transportation, and the Administrator of the Federal Aviation Administration, who would serve as non-voting members, ex officio. Two of the three county appointments would be made from three Atlantic County municipalities, Galloway, Egg Harbor, and Hamilton Townships, which share borders with the Pomona Airport facility.

In my comments on this legislation, I am mindful of the fact that a modern, fully equipped airport, that is genuinely capable of accommodating national and international air traffic provided by major scheduled air carriers, is absolutely essential to the continued economic growth and prosperity of the entire South Jersey region, to the tourism industry of this State, and to the Atlantic City casino industry and, therefore, to the entire State of New Jersey. And, because it is so essential, it is incumbent upon the Legislature and upon each one of us, as legislators, to make certain that the statutory mechanism we create to accomplish this objective is actually capable of fulfilling its objective.

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In this spirit, I wish to commend my friend, colleague, and fellow Atlantic County representative, Senator William Gormley, as well as Assemblyman J. Edward Kline, for the efforts they have made to reconcile the many diverse interests whose cooperation is essential, if the airport we all wish for is ever to become a reality.

I must, however, note that the legislation we are considering today accomplishes that reconciliation only by sacrificing the goal for which that reconciliation is necessary. In other words, this legislation, in an effort to accommodate political interests in Atlantic City, Atlantic County, and the State, actually creates an authority that may well not be able to accomplish anything positive and in the public interest, because its members will be totally subject to the political pressure that will be imposed upon them by interests that do not wish any airport construction whatsoever at the Pomona site, and will certainly oppose the kind of construction necessary to provide a genuinely international facility.

The principal problem, as I see it, is, while the government of Atlantic City publicly says that it very much wants an international airport to be constructed at Pomona, its actions over many years, up to and including today, certainly belies those public statements. What the government of Atlantic City truly wants is political power, patronage, and cash, and that, sadly, has been the action of the City throughout the decade of casino gaming. By granting Atlantic City the right to appoint three members to this new authority, this legislation is, in effect, guaranteeing that at least one-third of the authority will represent the interests of Atlantic City politicians, rather than the genuine public interests of the citizens of Atlantic City, to say nothing of the interests of the citizens of Atlantic County and all of New Jersey.

But, even more fatal, in my view, than this concession to Atlantic City, and that, in fact, is all the power to appoint three members really is, is an even worse concession to the political interests of Galloway, Hamilton, and Egg Harbor Townships. Here, I wish to make a particularly important point. Please don't misunderstand me. I know the people of these townships very well. I have worked with their municipal leaders for many years. I respect them, and I admire them. When I say that this legislation makes a concession, that is not to be taken as a criticism of them, as much as it is a recognition of the reality of the political pressure they will face from the citizens of their municipalities.

The problem, of course, is, Galloway, Hamilton, and Egg Harbor Townships just happen to be not only the municipalities that would be most directly affected by the airport in Pomona, but the very same municipalities that would be required to accommodate most of the commercial and residential growth of Atlantic County, because the Pinelands Master Plan has placed so much of Atlantic County, outside of these townships, off limits to any such commercial and residential construction. Therefore, we are trying to place a major international airport in the heart of a section that is going to experience the greatest population growth and business development in South Jersey, and that, my colleagues, is a recipe for disaster. And, in the case of this legislation, it is a recipe for stagnation, for obstruction, and for the failure of the very objectives this legislation purports to accomplish.

By giving these townships two representatives on the new authority, we are giving them a license to ally themselves with the purely political interests of Atlantic City, and therefore have five votes, a majority, to block any airport construction whatsoever, unless and until Atlantic City gets what it really wants, which again, as always, is power,



patronage, and cash, and until the three townships get what they want, which is an airport that does not create congestion, does not create pollution, does not fuse the rise of accidents, does not create noise, does not, in fact, do what a major international airport is going to have to do if it is going to fulfill the purposes of having such an airport in the first place.

Many people seem to think that granting the Governor veto power over authority minutes provides sufficient guarantee that the public interests of the citizens of New Jersey will be represented and maintained. I respectfully disagree. There is no doubt that a gubernatorial veto could be a most effective way to block any wrongful, counterproductive action by this new authority. If the authority was, for example, to propose construction that would violate State standards, or seek to impose parking fees or landing fees that were excessive, the right of the Governor to say, "No" would be valuable. However, with the majority of authority members agreeing on a policy of no action whatsoever -- no construction, no airport, nothing until the worst and most base political objectives of Atlantic City's politicians were accommodated -- then the veto of the Governor is meaningless and useless, for not even our esteemed and justifiably admired Governor can possibly veto a negative. In other words, if a majority of the authority want to do nothing at all and prevent any vote to act on airport construction of any kind, then the Governor's veto power will not, and cannot, force them to act. A veto is a device to prevent wrongful actions, not a means to require rightful action, and that, my friends, is the key.

In sum then, this legislation is certainly well-intended; a noble effort to seek a politically acceptable compromise to the major players in Atlantic County. But it is, in fact, a license to obstruct; a license to prevent; a license to deny the fulfillment of the objectives that virtually

everyone agrees are essential to the growth, prosperity, and development of all of South Jersey.

If I sound overly harsh and unduly cynical regarding the real motives of the government of Atlantic City, I put it to you, my colleagues, that I have lived with the poisoned fruits of their political maneuvers for too many years now to be accused of misrepresentation, and I am now a 41-year resident of Atlantic City and Atlantic County.

In a recent conversation with a number of casino executives, there was unanimous agreement that if that airport is not a reality by the end of this decade, we here in Atlantic City, and the State, will see 13 skeletons on that Boardwalk, because the marketing of casinos has been accomplished for the first decade, but the second decade is air or disaster.

Once again, for the last time, the government of Atlantic City will permit an international airport to be constructed in Pomona only if they can effectively control its patronage and gain its revenues, and they will -- and their three votes to the two votes of the most affected municipalities will prevent that airport from ever being built. All of my experience makes me absolutely certain that this will, in fact, be the end result of this legislation if it is enacted in its present form, and no one, I am convinced, can deny that my fears are at least a distinct and built-in possibility.

In conclusion, Mr. Chairman, and Committee members, I sincerely believe that the legitimate concerns of the people in Egg Harbor Township, Galloway Township, and Hamilton Township can be accommodated and, in fact, must be accommodated. My whole position on this legislation -- S-2537 -- is that it will not only fail to result in an airport, but will also fail to protect those citizens, because it will submit their fate to political maneuvers, rather than clear and specific guarantees of airport safety and airport operations that do not threaten to destroy the quality of life they are entitled to enjoy.

I believe that Senator Walter Rand's bill would do a much better job of protecting those citizens, because Senator Rand's bill would reduce the impact of Atlantic City politics. Citizens and airports are only incompatible if those airports are not responsive to citizen interests. Senate Bill 2537 makes any airport in Pomona responsive, primarily, to the political interests of Atlantic City, and for that reason alone it requires radical amendments.

Of course, I conclude by saying, each bill has its merits. I hope the day will not be too far off when we will be able to witness and see the Governor sign a bill that is compatible to all of those involved. Thank you very much.

ASSEMBLYMAN SCHUBER: Thank you very much, Assemblywoman Cooper.

Senator Bill Gormley has testified at the two previous meetings. He may be here today, and if he is, I will certainly give him the opportunity to testify also. Again, thank you, Dolores.

ASSEMBLYMAN RILEY: May I--

ASSEMBLYMAN SCHUBER: Yes, sure.

ASSEMBLYMAN RILEY: First, I have heard that speech twice, and I still can't figure-- If you eliminate Atlantic City, Egg Harbor, Galloway, and Hamilton Townships, where do you want the people to come from, Bergen County?

ASSEMBLYWOMAN COOPER: Did you read Senator Rand's bill?

ASSEMBLYMAN RILEY: No.

ASSEMBLYWOMAN COOPER: All right. Read Senator Rand's bill.

ASSEMBLYMAN RILEY: Does he eliminate Atlantic City and the three surrounding counties -- municipalities?

ASSEMBLYWOMAN COOPER: There is a South Jersey merger. Read his bill; analyze what he says; and then, with Senator Gormley's bill, there should be a compromise worked

out. You have to read each paragraph. I don't want to go into it now.

ASSEMBLYMAN SCHUBER: Thank you, Dolores.

Our next witness will be our host Mayor here in Atlantic City, James Usry. Mayor Usry?

MAYOR JAMES L. USRY: Mr. Chairman and members of the Committee: I want to personally thank you for convening this session here in Atlantic City. I, too, have testified at a prior meeting. I do feel, however, that it is incumbent that I repeat some of the things I have said. I don't want to get into a controversy here with my representation from this county. By the same token, as the Mayor of the City of Atlantic City, I would be remiss not to state that I think that we in Atlantic City -- the government of Atlantic City -- has been maligned. I think that unfair and unrealistic statements have been made concerning the government. I would remind you that I have just been the Mayor for four years, when we are talking about all of the things that have been happening here in the City of Atlantic City.

I would also remind you that prior to that, there had been very little movement about working cooperatively to bring to fruition this airport. I don't know what the following members will say, but I think that if you would ask those members-- I will even say that I will stand on the responses of those members from the county administration -- that is, the County Exec and his staff -- and the members of those other cities, as to whether or not there has been cooperation. I would ask that you question the FAA as to whether or not there has been cooperation.

I personally resent the fact that the people who have been involved minimally are the ones who are making statements about what has or has not happened in the deliberations regarding our airport. It is not a power grab for an airport. We own the airport; we already own the airport. It is not

necessary to power grab. We have said from the very beginning that we wished to be cooperative, but we do not wish to have the airport taken from us, as some would do. I would remind you that people think that the City of Atlantic City has unlimited resources and funds; that the moneys that used to come to us from the luxury tax no longer come to us. That is the Atlantic County Improvement Authority. I remind you that the 1200 buses that come into the City of Atlantic City every day-- Those revenues go to the Atlantic County Transportation Authority.

Many of you are aware that when we first started talking in terms of the Casino Reinvestment Bill, that those moneys were supposed to come for that unique tool, which was to revitalize the City of Atlantic City. That has been taken away from us to a great degree. And now we are saying that this last resort, and the last resource we have is this airport. We are of a mind that this should not be taken from us.

We have, however, been sitting down with the FAA, sitting down with those people involved, to say that there can be some consensus and some cooperative measures that will give us the type of airport we want, recognizing also that the recent surveys by those experts -- I repeat, experts -- who know something about the aviation business, and something about the projection for it, say that with the progress that is being made, with the development that is being made, with the expansion that is being made now on a schedule, that until such time as there are 1.4 million enplanements, that we will be on target. It gives a time schedule that has been accepted by the FAA, and should be accepted by other members here.

But, more importantly, we come to say that we have talked to the designer of the bill. We say this not to be critical, but to be objective. We sent a letter out two months ago to our Senator and to our two Assemblypersons, asking them if there were some things that they found untenable in that

bill, because we found some, and we thought it might facilitate things if we could sit down and discuss this. I want the record to reflect that that has not happened. I want you to know that I have been ready, willing, and available at any time to do that. I expressed this before Senator Rand and his committee also. I would do that today, say that we would sit down and be willing to talk to any group regarding this.

We did resent the manner in which it got off, however, at the onset, when there were 26 people involved talking about the initial legislation. We thought we were under-represented. The only thing I am trying to do is give ample representation to my constituency. In 1898-- I don't have to go over that. You know that we bought that airport. The amounts of money, when you read about it-- To think that at that time we had the foresight to pay that type of money for an airport -- those millions and millions of dollars. And then in 1910, to come back and put additional moneys into that airport, and then to turn that airport over to the Governor, with it reverted to say that no longer does it serve that express purpose; that it reverts back to the City of Atlantic City. Those were the only concerns we had when people came in talking terms of a bill that had some sections that really--

It is almost ludicrous when you think that a section would say that with the dissolution of this authority by a vote of those members, that the property and all the assets of that authority would go to the State, you understand, instead of coming back to the City of Atlantic City. Those are the types of things where we say that, while we can agree in concept with a bill that gives us a reasonable authority-- And we have to agree with it, after Senator Lautenberg and Congressman Hughes passed legislation in both Houses of Congress, which said that unless we entered into this reasonable authority, that no more moneys would be coming into the City of Atlantic City. Yeah, we found that difficult at first to understand why, of all the

airports in the country, ours would be singled out for this specific legislation. We have spoken to the Congressional Black Caucus, who wait to find out what the decisions are here, to find out if there is any reason for them to even look into something like this.

This is not what we want. We want to work cooperatively with our neighbors. I certainly don't want to put him on the spot, but I said this publicly, and I will say it again: If I had been allowed to work with the County Exec, without outside interference, then we would have been much further along. Maybe we would have had a solution to this by now. But that has not been the case.

For those who heard for the first time that the Mayor is grabbing for power, and patronage, and what have you, I would tell you that that is not the case. We have not asked for those things. What we have asked for is equity and fairness. We used as an example, we said, "Well, just treat us the same way that you did Newark. Give us that type of lease arrangement. We don't have a problem with that." More importantly, we said, "If you feel so strongly about the airport, and don't want us to be a part of it, that's not a problem. Buy the airport. We don't have to be in the airport business. But buy it at a price that we feel is commensurate with the time and efforts that have been put into that airport." We still raise that. That is one of the reasons why my council president is not here now, because he is very, very upset that this continues to go on with people who are saying how important it is, and what they are going to do, and yet do not want to go up and share.

I find it difficult, and I will use this as an example: Donald Trump would think I was crazy if I walked up to him and said, "I want to be your partner in Trump Castle." That is the way I feel about people who say they want to come up and be partners in the Atlantic City International Airport,

unless they bring something to the table. Those who do not bring anything to the table, as a matter of fact, are the ones who are doing the most talking about what happens to this airport.

There are a number of particular areas that I think -- and I will just do this quickly, because I know that time is of the essence here-- We want to make sure that this airport is developed into a first-class airport. We have said that. We want to make sure that we support the FAA's technical mission -- their research facilities. And we want to make sure that we protect the airport's security mission. That is not a problem. We do, however, find that there are some significant changes that should be made in this legislation, and I ask you to consider them, Mr. Chairman: One, we think that the proposed regional airport authority does not have the financial capability to meet the overriding objectives of the legislation -- the development of a first-class regional airport.

We say that the bill does not provide any assurance that the regional authority will build upon the progress already made under the City's ownership, by continuing to implement the fiscally responsible expansion program recommended in the airport master plan. We also say that the bill fails to protect adequately the substantial investment of Atlantic City in the airport and the surrounding lands. We do say, however, that if these deficiencies can be remedied with modifications, we can move forward, and we ask that this be done.

We say publicly here, and unequivocally, that with these revisions, the City of Atlantic City can support legislation creating a regional airport. But without those modifications to provide for a truly effective regional airport, the City must oppose this bill. We strongly believe that the guidelines for efficient and fiscal responsible airport expansion should also be under that master plan, and that should be accepted as one of the major recommendations.



We also feel that this new terminal should go into effect when we reach the 1.4 million enplanements. We have no problem with all of the things that are coming out of that plan. As a matter of fact, we strongly endorse them. But we have also said, in the analysis we sent you, that there are a couple of questions. I would just say this: We feel that we must strengthen the regional authority's capacity to finance airport expansion on reasonable terms. We say that in order to finance, we think there should be a distinct airport administration of New Jersey, and a separate Atlantic Transportation Authority should be established that would prohibit the diversion of funds to non-airport-related purposes.

We think the bill should be amended to include a specific revenue-raising authority for airport expansion and development. We think that the Governor and the Legislature should avoid taking actions that could adversely affect the rights of the bondholders, and should take steps to avoid a default on bonds, just as is done with the Meadowlands project. We think that the regional authority should be directed to continue the (indiscernible) development plan recommended by that master plan, and that representation on the board of directors should be broad and the voice of the most effective municipality strengthened.

What we are saying is, we have said from the very beginning that it is a matter of controversy, but we don't mind sitting and talking about it. We still say we feel that those cities, which the previous speaker felt were so intimately involved in the new airport authority, should have representation on that authority, and that those members should be appointed by a controlling body in that area and sent up to the County Exec as their recommendations, and not necessarily the recommendations by the County Exec. We say that the Governor should appoint board members from other counties in the South Jersey area that would benefit from the airport's expansion.

Finally, we say that the investment and longstanding interest of Atlantic City in the airport and surrounding lands should be protected. When we talk in terms of that representation, we agreed early on, on three/three/three. Then there was a change that we said we could not accept. That change is that there would be three, three, and three, but that there would be three additional non-voting members. I happened to sit on one board in particular -- and I know that you gentlemen and ladies sit on other boards -- where there was a non-voting member. That non-voting member can be just as influential and just as significant and important as a voting member, particularly if the legislation says that they must be a part of every deliberation and every discussion. So, they exert that influence, and then sit back and have you vote it. I mean, that is no different, and we have a problem with that, because it overwhelmingly gives a majority status to someone other than the City of Atlantic City. We have a problem with that, and I don't mind saying we have a problem with it.

ASSEMBLYMAN SCHUBER: Mr. Mayor, are you talking about the-- We have your amendments, by the way, and the Committee is reviewing them. But, are you talking about the non-voting members -- the Commissioner of the Department of Transportation and the Administrator of the FAA?

MAYOR USRY: No, no, no, no, no. I'm saying the cities. If you remember, the most recent proposal coming in--

ASSEMBLYMAN SCHUBER: Okay, you mean the non-voting--

MAYOR USRY: --was that Egg Harbor, Hamilton, and Galloway Townships would have non-voting members. I'm saying that for them to have -- for the County Executive to have three members, and for those municipalities to have non-voting members, it raises a problem. What we have suggested to you is that each one of those municipalities be represented, two of them by having direct representation on that board, and the three of the county, and that the one which is not represented

would have a non-voting status on that board, until such time as there is a vacancy, at which time that person would assume one of those voting positions.

That is the position we take. We say that we sincerely hope that this can be resolved, that the City can sit down and work cooperatively with the other members; I might say, those members who want to see a regional authority. If not, it just means that we will continue with the progress we are making on the scheduled projection. The way we're going, by the time we hit the 1.4, where the study is saying there should be some expansion, we will already have expanded.

Mr. Chairman and members of the Committee, we thank you so much for the opportunity to express ourselves, and we sincerely hope that a decision regarding this bill will not be made without recognizing, or at least giving some consideration to our reluctance to be a part of the bill in its present form. Also, we reaffirm our position that we wish to cooperate, and that we want to be a part of this authority, but we think it should be done on a fair and equitable basis.

Thank you.

ASSEMBLYMAN SCHUBER: Thank you, Mayor, for being here. Obviously, you understand the importance with which this Committee views this piece of legislation, because this is the third of a series of meetings we have held on this one bill. We will hold another one. It is a bill, as I have indicated at prior meetings, that has great potential for a significant impact here in South Jersey. If it is going to be approved, we want to make sure that all areas and aspects of it, and potential problems, are explored, because what we will establish here, you know, obviously, will have an impact on this State for decades after this. We want to make sure that what is done here is done deliberately, with a lot of meditation.

We are trying to take into account everybody's concerns before we get involved. I, living near an airport myself, have a very great concern about airports and what they mean to local municipalities. I can well appreciate the concerns of the citizens who live around this particular facility at the present time. We are actively reviewing your amendments at this time, to do that. I am going to have to suggest, and I know this started as a lot of discussion with everybody involved-- Those discussions among the legislators -- the sponsoring legislators -- and all the different interests involved, are going to have to continue in order to work out some of the problems that exist before this goes on.

I would also indicate to all of those who are here, that you know that this Committee looks askance at new authorities. You know, we have just come off a series of hearings on another authority which is near and dear to people's hearts -- the Parkway. We are about to make recommendations on that, probably within the month of December. But I can tell you that the recommendations we make on the Parkway and the Atlantic City Expressway and the Turnpike, we will require, if this bill is passed, to be established here. I am talking about areas of affirmative action; I'm talking about areas of compensation for employees; I'm talking about areas of benefits, and all of the abuses we found on the Parkway, and the Open Public Meetings Law requirements. We will require that they be done for this authority also.

Again, we do not like to establish new authorities. We do recognize, however, that certain problems cry out for them, and this may very well be one.

In any event, we appreciate it, Mayor. Thank you.

MAYOR USRY: Mr. Chairman, thank you so very, very much and, to the members of the Committee, thank you so much. It may be that-- I was so pleased to hear your last statement,

sir, because it may give motivation to the county and to the City to sit down and get back together, you understand, to see if we can work out something a little bit closer that would--

ASSEMBLYMAN RILEY: Mr. Mayor, if I may-- Mr. Chairman?

ASSEMBLYMAN SCHUBER: Go ahead.

ASSEMBLYMAN RILEY: Two questions. One, while this major meeting that I keep hearing about, where everybody will sit down, has not occurred yet, has there been any discussion at all of the possibility -- and I think we raised this at the last meeting -- of closing Bader Field -- allowing the City to close Bader Field -- and selling that property for the purpose of revenue? Has there been any discussion of that at all?

MAYOR USRY: No. There has been very little discussion about that, because for one thing, it is going to take a stronger voice than the City's to close Bader Field. The FAA has taken a very strong position. We have talked about that before. There are some members of the council who feel very, very strongly that that should be closed, and another member of the council where that airport fatality-- The engine that came off the plane came within two feet of going through his back door. So, you know, you have some people who would like to have it closed, but there are others who are thinking of other overriding points. They wonder, what would happen to the land? They are fearful that there might be some housing put on that land. But, that's a whole--

I think what comes out of this is an opportunity for us to sit down and deliberate the future not only of the Atlantic City Airport at Pomona, but also Bader Field, and I would be glad to sit down and talk to you about that.

ASSEMBLYMAN RILEY: What I'm saying is that the two discussions do not necessarily have to be separate. I think they could be one.

MAYOR USRY: No, they should be together.

ASSEMBLYMAN RILEY: Obviously, if there is an adequate facility at Pomona, I think that thing -- that feeling that the plane is going to land in the football field--

MAYOR USRY: Mr. Assemblyman, we tried to just close it down to one particular phase of aircraft, and the FAA told us-- They did a class action suit against us, to say that they didn't want us to do that.

ASSEMBLYMAN RILEY: I would encourage the discussions, and would be happy to participate in them.

Last night, Mr. Mayor, I heard about an ordinance that was introduced in Atlantic City. I obtained a copy of it this morning. Quite frankly, it disturbs me. We're talking about transportation, and I think everybody in the Legislature in the last 10 years has been a proponent of Atlantic City and the whole operation. It is Ordinance 22-A. Are you familiar with it, the people mover? Have you seen it yet, Mr. Mayor?

MAYOR USRY: Yes.

ASSEMBLYMAN RILEY: It would appear to indicate that the buses-- For instance, say we had bus transportation-- Say the authority was created, and we had this booming airport now in Pomona, and the buses were coming in. Do I read this right, that the buses would be stopped, and everybody would have to get on a private system that a private company would operate? Over and above the constitutional problems, which I think are awesome, am I reading this right, that everybody would be forced to take a private system?

MAYOR USRY: I think you may be reading an overzealous interpretation of what some people would like to see in a people mover system. I would remind you, sir, that as far as we are concerned -- that is, the City administration -- we are on a mandate, personally exercised, to say that until the final report comes back from our State Department of Transportation, in concert with the university that is working on it, in concert with the DOT down in Washington, that nothing is going to happen until such time.

ASSEMBLYMAN RILEY: Many of us have been interviewed on this. Are you telling me that this is not necessarily going to be on any fast track?

MAYOR USRY: No, no, no, no, no.

ASSEMBLYMAN RILEY: Good. Thank you, Mr. Mayor.

MAYOR USRY: It was withdrawn.

ASSEMBLYMAN RILEY: It was withdrawn, okay.

ASSEMBLYMAN SCHUBER: Thank you, Mr. Mayor.

MAYOR USRY: Thank you.

ASSEMBLYMAN SCHUBER: We are very pleased to have with us the County Executive of Atlantic County, Richard Squires.

MAYOR USRY: Pardon me, Mr. Chairman. You do know that I have another appointment, don't you?

ASSEMBLYMAN SCHUBER: Yes, I do. Thank you, Mayor.

C O U N T Y   E X E C.   R I C H A R D   E.   S Q U I R E S:  
Good morning, Chairman Schuber and Committee members. First of all, I want to welcome you to the Atlantic County Office Building. We hope your stay here will be very comfortable. We are proud to host this Committee meeting on legislation to create an authority to develop and operate the Atlantic City Airport.

I have offered testimony before your Committee in Trenton, as well as to the Senate Transportation Committee, and I will not use up your time by repeating everything the county has said before.

My goal this morning is simple: to reiterate Atlantic County's enthusiastic support for the development of the Atlantic City Airport by a regional authority with the legal and economic wherewithal to develop and operate the airport, with fair representation for Atlantic City, Atlantic County, and the communities that stand to bear the impacts of development, as quickly as possible.

I'm sure you are well aware that this issue has been batted around for many years. Finally, we are before the

Legislature with what I believe is a workable plan. Much time has been lost, and Atlantic County cannot afford to see more delays.

Atlantic City is currently engaged in a \$9 million improvement project at the existing civilian terminal at Pomona, and we must seize the opportunity to build on that progress.

So many components of our economy and population depend on the airport:

The future of the proposed convention center;

The marketing of Atlantic City and Atlantic County;

The growth of our tourism, convention, and casino industries, and the related commerce that feed off them; and

The South Jersey residents who now have few alternatives to driving to Philadelphia, Newark, and New York airports.

Much of the investment that has been made in Atlantic County has been made on the reliance that the airport would be expanded. Much investment has been delayed until the airport is expanded.

Once an authority is in place, it still will take a considerable period of time to finance and develop new facilities; thus, it is vital that we move forward as quickly as possible.

I urge the Legislature to act without delay to deal with the decisions that must be made, and allow us to build the airport that is vitally important to our continuing growth and economic well-being.

That is the end of my statement this morning. I would just like to make that for the record.

ASSEMBLYMAN SCHUBER: Mr. Squires, thank you very much. I know you have testified before the Committee before, and we appreciate your cooperation on this important matter. We appreciate the courtesies extended to us here during our



stay this morning. We certainly are very much impressed with your office building also.

Does any member of the Committee have any questions? (no response) Thank you again, Mr. Squires. Is Helen Walsh going to testify?

COUNTY EXECUTIVE SQUIRES: She hasn't planned to. She is upstairs, though.

ASSEMBLYMAN SCHUBER: Okay, fine. Thank you very much.

Is the Mayor of Galloway Township here, Mayor Worthington? (affirmative response from audience) Please come down. Mayor Worthington, of Galloway Township.

M A Y O R M A R G A R E T W O R T H I N G T O N: Good morning. I don't have any prepared comments. I didn't know I was on the list to testify today, but I did say I was going to be here, and I think you interpreted that as testimony.

I just want to say that Galloway Township is on record as supporting this authority, with numerous changes made to it. I think we have supplied your Committee with those. If not, I will make sure that we do. But our questions and concerns have been documented and have been listed in approximately 20 points that we would like to see changed.

Galloway Township recognizes that there is a need to compromise to see that the situation is handled properly. Our foremost concern is with the land use planning in the area around the proposed expansion of the airport, which in Galloway Township is part of the (indiscernible) zone, which is the airport hazard areas. It is also proposed to accept much of the regional growth from the Pinelands through our master plan.

We are very concerned, and we want to make sure that whatever is adopted here takes into consideration a full master plan looking at all three of the townships that surround the airport. We cannot allow high density development to the tune of anywhere between 56,000 and 70,000 units to be built within these growth areas around the airport. We are very concerned with that.

We stand willing to cooperate with anyone in the discussions of this airport. Hopefully, this will progress to everyone's satisfaction. Thank you.

ASSEMBLYMAN LOVEYS: Thank you, Mayor. Any questions for the Mayor? (no response) Thank you very much.

MAYOR WORTHINGTON: Thank you.

ASSEMBLYMAN LOVEYS: At this time, Mr. Fred Perone, Counsel for Egg Harbor Township. Mr. Perone?

F. F R E D E R I C K P E R O N E, E S Q.: Good morning. My name is Frederick Perone. I am the city solicitor for Egg Harbor Township. I am here in lieu of Mayor McCullough, who is out of the State at this time, and has requested that I come and impart to you his remarks with regard to the subject under consideration this morning.

These remarks are submitted by Mayor James J. McCullough in his capacity as Mayor of Egg Harbor Township, and in no other capacity.

I conceptually philosophically approve the purpose of the legislation presently under consideration to establish an airport authority at the Atlantic City Airport located in Egg Harbor Township, Atlantic County, New Jersey.

To accomplish the purposes of the act requires a delicate balancing of the equities of all the affected governmental bodies, which should be afforded maximum protection. Each governmental unit will be impacted so as to be required to endure individual hardships unique to their individual surroundings. In some instances, common situations will be presented to more than one area, and more often than not the burdens will of necessity rest more heavily upon some communities rather than others.

The political divisions directly affected by this proposed legislation are five in number: Atlantic County, Atlantic City, Egg Harbor Township, Galloway Township, and Hamilton Township. The county government is superimposed over

the municipalities involved. Egg Harbor Township, Galloway Township, and Hamilton Township are geographically affected, since the airport facility and any projected expansions would directly involve these jurisdictions.

Atlantic City, however, takes on a unique complexion in that its vested interest is by virtue of ownership in substantial acreage, making up the airport facility located within the jurisdiction of the other municipalities, principally Egg Harbor Township. Atlantic City does not exercise governmental jurisdiction or authority over this property. Its dominion and control is designated by metes and bound description only, and vests by virtue of its ownership. It is, however, entitled to protection over its proprietary interest in the facility.

Of all the governmental units involved in this legislation, the one most seriously impacted is Egg Harbor Township. This legislation would impose extraordinary demands on all the municipal facilities of Egg Harbor Township. It would be obliged to accommodate all of the anticipated growth and development explosion in this area necessitated by the influx of people as transients, whose target destination, for all intents and purposes, is Atlantic City, and more particularly, the casinos.

Practically 100% of the financial impact of these tourists and travelers will directly benefit the casinos, and consequently Atlantic City. The function of Egg Harbor Township will merely be as a point of deplanement, rather than destination, and it will act as the doormat for the projected millions of visitors in the future on their way to the casinos. The Township will, however, by virtue of traffic explosion, be required to supply already overburdened existing municipal services, such as planning, zoning, licensing, police, fire, safety, rescue, street and road maintenance and construction, alteration and redesignation of traffic control

systems and patterns, and much, much more. It is unconscionable to contemplate fostering these additional obligations upon the Township, which all translate into additional personnel, additional expenditures, and increased taxes to the residents, without compensating them for these added inconveniences and expenses.

Furthermore, it would be obscene to recognize all these hardships Egg Harbor Township will inherit through no fault of its own, and by the same token to deny them representation on the authority which will oversee this facility, its development, expansion, and maintenance.

Fundamental fairness demands that Egg Harbor Township be given representation of at least two voting members on any designated authority to be created by legislation.

It is universally acknowledged that future airport expansion will be a fact of life. This development would necessitate acquisition of additional substantial acreage, alteration, closing, or rerouting of well-known and well-traveled roads and highways, such as Tilton Road and others, serious disruption of residences and facilities presently in place, as well as other far-reaching disadvantages and changes in topography, planning, and development.

The Township has, for years now, at substantial expense, been involved in planning and development based on the statutory mandate of legislation such as the Municipal Land Use Law, the Pinelands Protection Act, and others. Zoning ordinances were developed pursuant to these statutes, and were promulgated after years of scrutiny, planning, and expense by the Township based on the advice and opinions of professional experts deemed necessary to comply with these legislative enactments. This research and development would be a total waste and rendered useless if the authority did not have the benefit of this input through the voting representatives of Egg Harbor Township.

Such an action would probably result in serious consequences, duplication of activity and expense, and even destruction of prior carefully planned development schemes. Industrial, commercial, and residential development already in place could be at risk, displaced, or destroyed. Anticipated airport expansion requiring acquisition of substantial contiguous acreage in the future could present subtle dangerous precedence. Query: Would the authority acquiring substantial acreage in a municipality for airport expansion then be compelled to enter into a lease agreement with the host municipality or property owners, thereby obligating the authority to extend benefits similar to those afforded the present landlord?

In order to preserve and protect this facility, it is not only essential, but critical that provisions be introduced creating a buffer zone within a five-mile radius of the airport facility, exempting this area from existing legislation dealing with planning or development such as the provisions of the Pinelands Protection Act or any other legislation contrary to, or in conflict with, the purpose of this legislation.

This is particularly significant inasmuch as certain areas contiguous to the airport are designated by the Pinelands as growth areas which, if developed, would frustrate future growth and expansion of the airport facility, particularly in a populated or heavily inhabited area. I was very happy to see Mayor Worthington make this same point. It is a very, very important point. Any legislation, therefore, should anticipate and provide for, as herein above referred to, an assessment by the user of the facility as reimbursement to the Township for those additional services, obligations, and responsibilities incurred as a result of airport traffic, since it would be grossly unfair to require the Township residents to absorb these expenses in the form of taxes for services necessitated by transients which have no bearing, effect, or benefit on the

Township, but to the contrary, will create and perpetuate substantial inconveniences to be sustained and suffered by the Township residents.

These observations are the obvious negatively impacting burdens which must be borne by an unwilling constituency. Fair play, therefore, dictates the balancing of the equities in an attempt to mitigate the hardships thrust upon this community because of its proximity to the airport.

There are many other issues substantial and worthy of consideration, such as water and stream encroachment, environmental impact, financial hardships for people who have and are investing substantial amounts of moneys in locations which will be closed or rendered nonproductive by future traffic scheme changes, and many other adjustments. These will at least be afforded some degree of protection in future planning, acquisition, and development by virtue of representation on the authority.

In closing, let me just make an observation: We are all aware of the travesty which took place immediately after the passage of legalized gambling in Atlantic City, when the Casino Control Commission was constituted and didn't include on the Commission a single person from Atlantic County as a member for a number of years. To constitute an authority without representation, in this instance from Egg Harbor Township, would be equally as callous and unfair. You can't just ignore that a substantial constituency in Egg Harbor Township will bear the brunt of the negative impact of this facility, and then deny them a voting voice in their future and in their affairs.

Thank you very much.

ASSEMBLYMAN LOVEYS: Thank you, Mr. Perone.

MR. PERONE: I have an extra copy of these remarks from the Mayor, if the Committee would like to have it for their records.

ASSEMBLYMAN LOVEYS: Yes, leave it, please.

Welcome, Senator Gormley.

S E N A T O R   W I L L I A M   L.   G O R M L E Y: Welcome to Atlantic County.

ASSEMBLYMAN LOVEYS: At this time, Senator, if you wish to say something--

SENATOR GORMLEY: I would prefer that you stick with the current agenda. Maybe I will have some comments at the end.

ASSEMBLYMAN LOVEYS: Thank you, Senator.

At this time, Mr. Ray Townshend, representing Hamilton Township.

R A Y M O N D   T O W N S H E N D: Good morning. I am one of those members from the municipalities who has been involved in the negotiations on the Atlantic City Airport issue since, it seems, the beginning of time -- for quite some period. I have a prepared statement which I would like to read to you:

The Atlantic City Airport and the issue of its expansion has raised many questions, as well as much blood pressure. There are many people who would like to see the airport stay just as it is. We realize this may be a little unrealistic. The future of the Atlantic City Airport is a critical issue to the residents of Atlantic County for numerous reasons. The planning and direction of this facility should not be in anyone else's hands, but those who are affected solely by its existence, primarily Egg Harbor, Galloway, and Hamilton Townships, Atlantic City, Atlantic County, and the Federal Aviation Administration.

We are the people who must live with the decisions that are made. Therefore, let us be the ones making those decisions. Good planning dictates that we prepare now for our future. We insist on being an integral part of the planning and growth process of this facility, and feel that its ultimate size and use must be limited.

At present, approximately 400,000 people per year avail themselves of the services to and from Atlantic City Airport. The Federal Aviation Administration has projected that the amount of commercial passengers could increase to three and a half million people by the turn of the century. That is an 875% increase over today's figures. The FAA has also stated that this increase could be accommodated without the construction of additional runway, to which we hold much objection. They would, however, have to extend one of the existing runways. An 875% increase in commercial passenger use should more than satisfy the casinos, provide for a marketable and viable airport, as well as stimulate new commercial and industrial enterprises.

Let us not forget this facility exists within the 1.1 million acre Pinelands preserve, and is also in the midst of a designated growth area mandated to accommodate approximately 50,000 homes. Southern New Jersey, specifically Atlantic County, will never become a Newark or a Philadelphia. These towns have airports that handle in excess of 15 million passengers per year, each. The Atlantic City Airport, with a total capacity of 3.5 million passengers per year, the continuation of the FAA programs, the 177th Fighter Squadron, and private usage is adequate and appropriate for our area.

State government's involvement in local issues does not always have to come in the form of total takeover and creation of a super authority. The State can, and should, be a guiding force, encouraging cooperation and, if necessary, becoming a mediator to finalize or remove any otherwise insurmountable objections. This type of involvement by the State is something I still encourage. I believe we can locally, with the assistance of the State, create the authority to take Atlantic City Airport and our county effectively and compassionately into the future.



Therefore, we wish to work with, and next to all those involved to make this a compatible and well-planned venture. Putting aside who runs this facility, who is appointed to the authority, and where they live, we insist that a comprehensive land use study be completed and implemented prior to the formation of the authority. This study would include participation from the Pinelands Commission, the FAA, all surrounding municipalities, and the Atlantic County Planning Division. With this type of document in place, and with the cooperation of all State and local agencies, we could be assured that our gravest concern -- our quality of life -- be preserved, no matter who served on the authority.

To date, there has been little, if any, coordination between the Pinelands and the FAA, as is evidenced by the approval of various residential developments in the severe flight path areas, in spite of recommendations in the (indiscernible) plan. It is from these past experiences that we vehemently oppose the furthering of this authority until our concerns, as the people who must live with this new authority, are addressed and resolved. We again respectfully commit our assistance and willingness to cooperate in achieving these goals.

After my careful review of the legislation, even though I don't believe this is the place it should be as a State authority, I just have some critiques of the legislation, as it exists. Page 19, the last paragraph: Added to this section, it should say that a comprehensive land use study would be started immediately on the impacted areas, in cooperation with the Pinelands Commission, the Federal Aviation Administration, the Atlantic County Planning Division, and the surrounding municipalities, taking into account the moving, changing, or deleting of various Pinelands land use designations, the possibilities of a building moratorium in the highly impacted areas, and that this land use study be adopted as part of, or in addition to the authority master plan to expansion of the facility.

Clarification on why seven additional counties are involved at this time, when the definition of the district on page 3 is the boundaries of Atlantic County, unless enlarged at some future date. These other seven counties could be included at that later date when the authority does expand its interest.

There is some confusion in the term "located in or which border," when used to refer to the surrounding municipalities. Exactly which and how much property is considered the authority's, and which and how much is the FAA's. Depending on these clarifications, it could change the designation of the municipal representatives. Also in regard to the municipal representatives, there is no mention as to how the rotation will be handled and what municipalities are included. We suggest that it be specific as to the three municipalities involved -- Egg Harbor, Galloway, and Hamilton Townships.

On page 4, section g., the statement is made: "and other facilities functionally related." It is very ambiguous and quite broad, and we feel that needs further clarification.

Page 11, section 10, the question: Why are members and officers exempt from the Conflicts of Interest Law?

The sections which refer to dissolution of the authority are somewhat contradictory and vague. Page 11, section 12, states: "--the authority may be dissolved by law on the condition that: a. either the members of the authority have not been appointed or the authority by resolution has consented to its dissolution; and, b. the authority has no debts or obligations outstanding." If either of these happens, the land shall be vested in the State. This allows itself for abuse, inasmuch as the appointments may never be made, and one year after this becomes law the land is then State-owned. How exactly does this work, and what is its relationship with a negotiated lease or buy-out of the property from Atlantic City?

Page 22, section e., refers to the issuing of summonses by the authority's own officers or security, and when issued sent to the municipality in which the airport is located, and handled as if the municipality itself had issued them. Once again, what property is the authority's, and does this also mean the division of funds for the summonses is handled the same way as a municipal summons?

These are some of our primary concerns with the legislation. I feel they need to be addressed prior to its passage. We are approaching this, again in a positive manner, and hope that it will make this better legislation for all involved. But I must reiterate, we still believe that this authority can, and should be county based, and not created with such a broad brush as to forget or undermine our local concerns and our quality of life.

We -- meaning Atlantic County -- have the ability, the foresight, and the initiative to address all aspects of this challenging issue, and must be encouraged and allowed to do so.

Thank you.

ASSEMBLYMAN SCHUBER: Thank you very much. We would appreciate it if you could have your statement sent to the Committee also, for our records, please. Thank you very much.

I have next Larry Bouchonville, Hamilton Walk Homeowners' Association.

L A R R Y B O U C H O N V I L L E: Good morning, Mr. Chairman and members of the Committee.

ASSEMBLYMAN SCHUBER: Good morning.

MR. BOUCHONVILLE: I am Larry Bouchonville. I am here today as a private citizen of Atlantic County and Hamilton Township. I represent the community of Hamilton Walk. I have some prepared testimony, which I would like to submit on behalf of the residents of Hamilton Walk.

ASSEMBLYMAN SCHUBER: Hamilton Walk is what, a condominium association?

MR. BOUCHONVILLE: Hamilton Walk is a community of executive homes on one-plus-acre lots, which would be about a mile and a half right off of the end of the new proposed runway.

ASSEMBLYMAN SCHUBER: How many folks live in Hamilton Walk?

MR. BOUCHONVILLE: There are 107 homes planned. There are about 80 occupied currently.

I can only speak for the people of Hamilton Walk. However, I would like to expand that a little bit, if I may. This is not a part of my prepared testimony. It is an answer to your question.

A half a mile down the road from us is a new community being built -- Timber Glen -- of over 500 condominiums and town houses.

ASSEMBLYMAN SCHUBER: Is that part of Hamilton Township?

MR. BOUCHONVILLE: That is all in Hamilton Township. Due west of Hamilton Walk -- about two miles, I would guess -- is a community called The Woodlands, which has been there for some time -- 766 units. Adjacent to them is a new community of Hamilton Greens -- a brand-new community. I don't know how many units are in there. In this same area, we also have the brand-new Hamilton Mall; we have the Atlantic City Race Track; and we may have the proposed new baseball stadium.

Now, I would like to point out that all of these entities I have mentioned, plus more -- we also have the community -- the rural community -- they call Laureldale-- They would all be in the impact area of the new runway. So, although I am speaking for Hamilton Walk, there is much more than Hamilton Walk involved.

My testimony is separated into several sections, and I would like to address it in that manner. First of all, the expanse, or the scope of the South Jersey Transportation Authority. As proposed, this authority would have jurisdiction

over all public transportation in eight counties. Why such a bureaucracy to oversee the Atlantic City Airport? Won't counties such as Camden, Cumberland, Salem, Gloucester, and most of Burlington, whose population and industrial centers are closer to Philadelphia, continue to be served best by the Philadelphia International Airport? Won't Newark remain the airport of choice for most of Ocean County?

Why shouldn't this authority be limited to Atlantic County? Atlantic City and its adjacent communities, along with the communities of Hamilton, Galloway, and Egg Harbor, which have been mentioned previously today, and we could throw in Absecon, since Absecon is currently most affected by the airport-- These communities are all in Atlantic County. Aren't these four municipalities -- which I just mentioned -- those primarily and adversely affected by the airport and the actions of the authority? Or, is this proposal an attempt to get these other counties to share in the impending tax liabilities of the airport, along with the impacted communities?

I have comments on the voting body: Under A-3184 from the Assembly, as well as Senate Bill 2537, why should Atlantic City have three votes, when the three municipalities -- the three townships -- in which the airport resides, have only two votes among them on any of the issues? Shouldn't this be possibly four votes, if you include Absecon? Shouldn't these be four votes -- Hamilton, Galloway, Egg Harbor, plus Absecon? Atlantic City and the casinos will derive the benefits of an expanded airport, but none of the noise, pollution, ground traffic, and aircraft dangers. When a plane crashes, it will not be the Atlantic City fire fighters or the Atlantic City police and rescue squads who will have to respond.

ASSEMBLYMAN SCHUBER: What is the population of Hamilton Township at the present time, do you know?

MR. BOUCHONVILLE: Ray, could you help me? Eleven thousand? (addressed to Ray Townshend sitting in the audience)

MR. TOWNSHEND: (speaking from audience) Fifteen thousand.

MR. BOUCHONVILLE: Fifteen thousand?

MR. TOWNSHEND: Something like that.

ASSEMBLYMAN SCHUBER: Can someone tell me what the population of Egg Harbor Township is?

MR. TOWNSHEND: About 20,000.

ASSEMBLYMAN SCHUBER: About 20,000?

MR. TOWNSHEND: That is an estimate.

ASSEMBLYMAN SCHUBER: Estimated? How about Galloway Township?

MR. TOWNSHEND: I think it is about 11,000.

ASSEMBLYMAN SCHUBER: Eleven thousand. That is an interesting question you raised. What type of fire fighting equipment do all the towns have, volunteers?

MR. BOUCHONVILLE: They're volunteers, as far as-- I know Hamilton has volunteers. I expect the others do as well.

MR. TOWNSHEND: Egg Harbor Township, as far as I know, has volunteers. (two or three different people speaking at once from audience at this point, most of which is indiscernible; no microphones)

UNIDENTIFIED SPEAKER FROM AUDIENCE: There are 22,000 in Galloway.

ASSEMBLYMAN SCHUBER: Twenty-two thousand in Galloway?

UNIDENTIFIED SPEAKER FROM AUDIENCE: Yes. Approximately 28,000 for Egg Harbor Township, and 15,000 in Hamilton.

ASSEMBLYMAN SCHUBER: Okay. Sorry.

MR. BOUCHONVILLE: It is not Atlantic City which will lose the ratables from lands that cannot be developed for homes. It is not Atlantic City which will pay for the increased municipal services necessary to see these passengers get safely and promptly from the airport to the casinos.

Atlantic City owns 83 acres on which the existing terminal stands. These bills provide financial compensation to Atlantic City for that property. Shouldn't that alone eliminate Atlantic City from the voting councils? The FAA has jurisdiction over the other 5000 acres, including the land proposed for the new terminal and new runway. Accordingly, since the FAA doesn't intend to surrender their rights for the Federal use of this property, what is the justification for giving Atlantic City three votes, instead of one? Again, why shouldn't the negatively affected townships have one vote each?

Under Senator Rand's bill -- S-7 -- all members will be appointed by the Governor, and only two of these will be representatives of Atlantic County, completely eliminating effective home rule from within the impacted counties.

The case made for an industrialized South Jersey flies in the face of Pinelands Protection and Preservation, and the farming industry, so important to the well-being of this State. Why should any other counties or appointments by the Governor have any say in the selection of people who will determine what takes place in Atlantic County?

Pinelands Commission: The Pinelands Commission is not recognized by these bills as having any authority, participation, or even consultant function in the airport planning or development. In preparing the Airport Master Plan, shouldn't the Commission be consulted, just as these bills recommend consulting the State Department of Transportation, the New Jersey Transit Corporation, and the FAA? Is this an effort to negate the Pinelands environmental concerns for the airport expansion and fueling operations over the aquifer? What is the fate of the rare white cedar forest on the FAA's grounds, which is in the path of the proposed runway?

New Jersey Department of Transportation: Plans are already being made to implement a limited access by-pass route, or beltway, so the airport traffic from the proposed new

terminal can reach the Garden State Parkway, the Atlantic City Expressway, the White Horse Pike, the Black Horse Pike, and Route 40. Isn't the present terminal's easy access to these same roads just as satisfactory? Is this unseemly haste an effort to lock in the roadway right of way to prevent a review and possible changes in the site positions of the proposed new terminal and new south parallel airport runway? Could the beltway be an effort to have this cost, which should be part of the authority's responsibility, borne by the State's taxpayers? Or, is it both?

Should this traffic develop to justify this expenditure, wouldn't it be wise for the Department of Transportation to have a commitment from Atlantic City that they will develop a plan to process this traffic in Atlantic City? If Atlantic City does not, then won't the money for the roadway, utility relocations, rights of way, etc., have been wasted? Why eliminate two minutes to access Atlantic City, and still be tied up in traffic for 20 minutes when you reach there?

The authority as an entity: It, like similar authorities, would be independent of the New Jersey Legislature, and free to act without control or restraint by that body. As presently planned, wouldn't this body be even more independent, and thus much less likely to respond to the concerns and best interests of the people directly impacted? Actions of the authority need not consider the best interests of the State of New Jersey or Atlantic County; i.e., the recent actions of the Port Authority of New York and New Jersey in the Expanded East Coast Air Traffic Study; the Turnpike Authority, with its plan for "golden parachutes" for the retiring Commissioners; the Garden State Parkway, with its covert plans for toll hikes after election; the Expressway plans for excessive pay and retirement benefits for toll collectors.

These bills will permit appointments to this authority to be chosen for their positions by gerrymandered political



subdivisions controlled by various politicians with different levels of political authority; positions that will be exempted from compliance with Title 11A, which establishes standards for employment under the Civil Service Act. Historically, wouldn't this exemption result in many appointments without proper regard for adequate credentials, ability, or competence? These appointees know to whom they are indebted, and traditionally they repay their obligations with appropriate, corresponding, lower staff appointments. The organization created in this manner sacrifices quality, competence, and the ability to function efficiently. Generally, authorities are clumsy, inefficient mechanisms, but they do permit politicians in the State Legislature the opportunity to avoid responsibility or blame. Eventually, this centralization of power makes the smaller community politician subservient to the top political and elected officials and their appointees for future appointments. This inevitably leads to the destruction of the autonomy and quality of the local municipalities.

Economics: There are sufficient reasons to believe that the airport authority could not become economically viable, and would thus be a liability supported by the taxpayers of the State of New Jersey. Since, as with all airports, there will be no profitable revenues, they will be unable to issue revenue bonds. One distinction between the two Senate bills is that S-7 -- the Rand bill -- proposed to use funds collected by the operation of the Atlantic City Expressway to partially fund the airport expansion. Since this roadway handles much traffic that originates at the Philadelphia International Airport, wouldn't such use of Expressway funds negatively affect their profitability, and, in order to recover this loss, wouldn't this result in higher tolls to be paid by New Jersey drivers?

We are aware of testimony that proposes to unite the features of these two Senate bills to create one omnibus bill

and authority. While we are not presently aware of any such effort in the Assembly, we foresee no community benefits from such a political accommodation, and urge a more rational approach be found for funding.

The major airlines have already committed funds to the \$315 million expansion of the Philadelphia International Airport only 40 miles away. Thus, could anyone believe the major airlines envision such a profitable future for the Atlantic City Airport that they would assist in the funding for its competitive new terminal and runways?

Won't the casino industry current reports of low average casino profits preclude further funds from that source? Didn't Mr. Carver, President of the Casino Association, recently testify that he did not expect the casinos would be willing to provide funds for this venture?

Hasn't the present proposal failed to consider any of the liability aspects of the plan for the proposed airport's expansion and the road system development? It is our belief that should the actual cost to the State taxpayer and, in particular, to the tax consequences on the residents of the counties who will be subjected to this authority, be compiled and disclosed, it would be rejected on that basis alone.

Is this proposal designed specifically to benefit the casinos? If not, why then did Mr. Carver proceed with a \$500,000 mail campaign designed to enable them to claim public support? Based upon the casinos ongoing contribution to the State, perhaps the casinos have a legitimate claim that the State should provide a better airport. However, we do not believe that this authority and the present indiscriminate and hasty planning is the way to get it.

Should this airport be the prime priority of the casino industry? Instead, we caution that present growth indications are that the current casino market is near saturation because of the failure of Atlantic City to

successfully combat the interrelated problems of crime, grime, drugs, traffic, and housing. The prevalence of these problems has a direct bearing upon the tourist and convention trade. In turn, they compound the casino parking, labor shortages, service, and hospitality concerns which have allowed the industry's growth. Accordingly, direct action to correct these concerns would increase the tourist and convention trade and bring higher-income people into the area for jobs and services. In short, wouldn't better housing availability in the area entice people to move to Atlantic County and to take jobs in the casinos? People do not want to risk their families in areas prevalent with crime and drugs.

Need for runway expansion: Las Vegas, with a similar runway configuration to the one in existence at Atlantic City, handles six million passengers each year. Since this is more than the passengers forecast for the year 2005, why should the plan waste money to construct another runway? By the way, Atlantic City Airport presently has an unused 1500 foot runway. Why should this authority consider using funds for a totally unnecessary runway until there is a proven demand?

Then we have some other unanswered questions: Has the expense for the provision of noise abatement remedies, purchase of properties for rights of way, costs of highway and utility -- telephone, power, sewer, cable TV, etc. -- relocations, costs for noise abatement and housing purchases and relocations been considered? When will the results of the environmental noise, safety, and quality of life studies be known? Since they and the many unknown costs will determine if this airport expansion and thus the justification for the authority is a go or a no-go situation, shouldn't such an expensive measure be tabled until such time as all of these factors have been determined?

In summary, we think it only reasonable that until such time as those concerns listed above that negatively affect the lives of the people now living in the communities adjacent

to the airport are addressed and resolved, no such powerful and disruptive authority be created.

Thank you for your kind attention.

ASSEMBLYMAN SCHUBER: Thank you so much. We would appreciate it if you would also submit your testimony to the Committee, so it can be included in our report.

MR. BOUCHONVILLE: Shall I give it to the young ladies over here?

ASSEMBLYMAN SCHUBER: Yes, sir, or you can give it to the aide up here. Thank you so much.

MR. BOUCHONVILLE: Thank you.

ASSEMBLYMAN SCHUBER: Dr. Raymond Pennie, Sierra Club?

D R. R A Y M O N D P E N N I E: Good morning.

ASSEMBLYMAN SCHUBER: Good morning.

DR. PENNIE: I am Dr. Raymond Pennie, spelled P-E-N-N-I-E. I live at 13 Alexander Drive, Mays Landing. As you know, Mays Landing is a Pinelands community.

I am a member of the Sierra Club, and a contributor to the New Jersey Environmental Lobby. I will do my best to have these organizations oppose this legislation.

I am opposed to any proposed legislation that concerns itself with the expansion of the airport at Pomona. The 5000 acres commonly referred to as the FAA Technical Center, are owned by the Federal government. Therefore, I feel that the Legislature of the State of New Jersey has no legal right at all to be making plans for this piece of property. The FAA is probably the only one that does.

The Kline bill is also not good politics, because you are challenging the authority of the Federal government, and I don't think you are in a position to win that fight.

My second objection is the concern over the issue of air pollution. Nothing is more polluting than a major airport. The Federal government, years ago, passed a law called the Clean Air Act. The State of New Jersey, right now,

is not in compliance with the terms of this law. As a matter of fact, neither is the City of Atlantic City. This entire issue is presently the subject of a lawsuit brought by the Sierra Club and the American Lung Association. In addition, one of the statutes of the Pinelands Protection Act calls for the preservation of clean air in the Pinelands. I believe it is the responsibility of the State government to respect its own law.

Thank you.

ASSEMBLYMAN SCHUBER: Thank you very much, Doctor. If you wish to translate your testimony into a written document, you may send it to the Committee, if you would like. You don't have to; I am just offering you the opportunity.

DR. PENNIE: Yes, I will.

ASSEMBLYMAN SCHUBER: Thank you. Wade Lawson, Executive Director of the Atlantic County Transportation Authority? (no response) Marlene Asselta, Southern New Jersey Development Council? (response from audience) Are you Wade Lawson?

W A D E L A W S O N: (speaking from audience) Yes.

ASSEMBLYMAN SCHUBER: Did you wish to make a statement?

MR. LAWSON: No. We are not prepared to make a statement. I am only here as an observer. (remainder of Mr. Lawson's comment indiscernible; no microphone)

ASSEMBLYMAN SCHUBER: Thank you. We will note that for the record.

Marlene Asselta? Marlene, you are the Executive Director of the Southern New Jersey Development Council?

M A R L E N E Z. A S S E L T A: I sure am.

ASSEMBLYMAN SCHUBER: Okay. Before I forget, if anyone wishes a transcript of this meeting, they can leave their name and address with the staff members, and it will be sent to you. Okay?

MS. ASSELTA: Am I last on the list, Mr. Chairman?

ASSEMBLYMAN SCHUBER: Well, Mr. Carver asked to testify also. His will be the last testimony we will take.

MS. ASSELTA: Usually I am last on the list, and I have two minutes before 12 o'clock comes. So I am going to be very quick.

I am the Executive Director of the Southern New Jersey Development Council. We welcome you to South Jersey. The Development Council, for those of you who do not know -- and I have been before your Committee before, so some of you do know -- is an eight-county regional lobbying organization whose membership is made up by significant representation from the private and public sectors, encompassing virtually all segments of the business, industry, government, and educational communities.

The Council serves as a distinctive and unifying formal entity in coordinating the regional economic development and planning throughout the eight southernmost counties of the State of New Jersey -- Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem.

I would like to express our appreciation for the opportunity to appear before you as you consider legislation that will establish the South Jersey and Atlantic Transportation Authority. We certainly welcome the opportunity for our comments and recommendations to be included in this process of long-range transportation planning. You are to be commended for the thoroughness and patience you are exhibiting with a project of this magnitude, one that will have significant impact on the State of New Jersey, particularly the southern New Jersey region.

Just as every region of the State feels that its particular needs are the most unique and important, we at the Development Council are certainly no exception.

The southern New Jersey region is experiencing one of the greatest development rates in the history of the State. It

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APR 1981

is imperative that we maintain and develop our transportation system in an orderly and timely manner to successfully manage and continue to move ahead.

The Board of Trustees of the Council feels that the proposed expansion and improvements to the Atlantic City International Airport are one of the cornerstones on which the future sustained growth of the southern New Jersey region rests.

Our information indicates that all areas of southern New Jersey would benefit from the implementation of this project. It is expected that as a direct result of the improved and expanded airport, the economy of southern New Jersey would be enhanced by an estimated \$684 million in wages and salaries alone.

By the year 2005, the indirect employment impact on southern New Jersey is projected to generate an additional 2352 new jobs throughout the region. Most of the indirect benefits associated with the expanded airport facilities are projected to be distributed throughout all of southern New Jersey. Wholesale trade, business services, eating and drinking establishments, and hotels are expected to be the largest beneficiaries of airport improvement.

A more focused argument for the expansion of the Atlantic City International Airport can be found within the boundaries of Atlantic City. The new Convention Center will have the capacity to accommodate 92% of all conventions. The airport expansion will make it possible to hold an additional 12 to 18 major conventions a year. It has been projected that these additional conventions will develop an additional 300,000 to 450,000 delegates. Approximately 60% of these delegates will arrive by air. The additional convention business would generate \$22 million in extra luxury taxes.

Further, the casino industry has done much to add to the growth of the southern New Jersey region. This industry would also benefit greatly from this proposed expansion. The

casino industry currently consumes \$1.1 billion annually in supplies and services. More than 50% of this total is purchased directly from South Jersey firms. This generated \$556 million in additional business for southern New Jersey firms and, indirectly, additional jobs and income for the region's residents. It is projected that much of the required supplies and materials for the construction and operation of the improved and expanded airport will follow the same distribution patterns, and it will not be lost to other areas of the country.

The number of passengers that will be able to use the improved and expanded Atlantic City International Airport totals 25.6 million additional passengers between 1992 and 2005. These additional passengers would otherwise be diverted to Newark or Philadelphia International Airports because of the current capacity constraints at Atlantic City International. It is further projected that these passengers will save \$1.5 billion in time, inconvenience, and out-of-pocket transportation expenses. In addition, with airport improvements, passengers are projected to save an additional \$32 million from reduced flight delays over a 20-year period. We feel that most of these savings will add to the income that will be disposed of throughout the region.

Business firms continue to decentralize away from the older congested urban areas, namely the New York and Philadelphia areas, and into the less congested southern New Jersey environment. The most logical place to arrive and depart would be the Atlantic City International Airport. Many of these business travelers will find that geographically the Atlantic City International Airport is much more conducive to efficient business operations from a travel and shipping standpoint, than Philadelphia or Newark Airports. There is much less traffic congestion and travel time between airport and office would be reduced.



As a result of the close scrutiny of these current trends and projected forecasts, the public/private sectors of this region are coalescing to work towards the creation of the authority that will govern the eventual expansion of the Atlantic City International Airport program.

Moreover, under the direction of the Southern New Jersey Development Council, a Transportation Coalition is now being formed to specifically support and endorse regionalized approaches to southern New Jersey's multi-model transportation network. This includes air, rail, highway, and marine travel.

Business organizations and government entities from each of the eight southern counties will soon appear before the New Jersey Legislature, Federal delegation, and Governor's office to seek funding, support legislative initiatives, and encourage implementation of regionalized transportation projects.

The commitment being made by both the Southern New Jersey Development Council and the Transportation Coalition of Southern New Jersey, and the businesses, governments, and individuals within these two organizations is but a small indication of the seriousness with which we view the economic revitalization of southern New Jersey and its transportation infrastructure, beginning with the proposed Atlantic City International Airport.

We strongly encourage this Committee to look favorably upon the passage of this legislation and to work out whatever compromises and amendments you need, but do move ahead and help us to help ourselves.

I might add, at a meeting of our Board of Directors just yesterday, it was identified-- This issue was identified as probably the single most important issue affecting the orderly growth of southern New Jersey. I bring that to you because it is right at the tip of my tongue. I just heard it yesterday, and I wanted to pass that on to you. That comes

from a regional perspective. Our Board consists of 63 men and women who serve in all of the different areas of business and government, so it is a regional perspective.

I thank you for your time. If you have any questions-- If not, I will let you get out of here.

ASSEMBLYMAN SCHUBER: We thank you very, very much. You may also submit your testimony.

Mr. Carver, do you have anything you would like to add, recognizing that it is after 12?

T H O M A S D. C A R V E R: Mr. Chairman, members of the Committee: Just let me, if I may at this belated hour, welcome you to Atlantic City, belatedly, in some cases, because I understand that some of you were here prior to this morning, engaging in the annual slugfest known as the League of Municipalities.

Let me just leave with you, if I may, one or two thoughts. I leave with you a study that we completed not too long ago. I don't believe I gave it to this Committee the last time I was before you. I think it is the most up-to-date study on air service and air passenger demands and their potential in the southern New Jersey region. I will also leave you a copy of the testimony I gave before the Senate Committee.

You have given me the privilege of testifying before you previously, so I won't belabor you with any long-winded speeches.

I would just say one thing, though. I sympathize with some of the comments that have been made here today, particularly on behalf of the local interests, and certainly the homeowners. Having 25 or more years experience in the aviation industry, and knowing people who have experienced the expansion -- the dynamic expansion -- of air service in the North Jersey area, I can well appreciate some of the concerns that have been voiced here, not only by homeowners, but also by the environmentalists and others.

I believe the issues you are addressing are probably the most important developmental, governmental issues that this region will face in the next 25 years. I believe that how the legislation evolves-- As you know, there are two bills specifically addressing these issues before the Senate and the Assembly. How this legislation evolves will determine whether or not South Jersey continues to develop; whether or not it will develop logically and coherently; and whether or not we can manage growth, which we are going to have whether we want it or not. It is with us. We are not on the moon. We are part of the most densely populated State in the Union. Growth is going to come to South Jersey, when it can no longer come to North Jersey. That is just a simple fact that we have to begin to recognize and live with.

We have created this great New Jersey treasure here in Atlantic City -- and it does exist. The experiment is long over with, if it ever started. We have been here since day one. There are 70,000 people working directly or indirectly in this industry. There are millions and millions of dollars spent annually in all counties of New Jersey.

Mr. Chairman, we are about to take some ads, which are part of the educational campaign which was recently referred to. The educational campaign, if I may, by the way, is really merely to tell people who the casino industry is, what it is, what it can accomplish, and what it cannot accomplish on behalf of New Jersey. We are about to take some ads up in Bergen County in The Record and The Star-Ledger newspapers, indicating that the Casino Revenue Fund -- the majority of it -- over a period of years-- The one single county which has gotten the most has been Bergen. This is a statewide issue we are dealing with here.

If I may, in closing, say, this is not just an airport issue alone. This goes far beyond an airport issue. This is a development issue; it is a transportation issue. We need,

desperately, in this region, a coordinated, comprehensive, all-inclusive transportation plan, and an agency to carry it out, both in terms of planning and in terms of construction, and in terms of operating and in terms of financing. As Mayor Usry mentioned earlier, financing is one of the issues that has to be developed. In the testimony I gave before the Senate, I referred to that. Senator Rand has referred to it, and Senator Gormley also.

I don't envy you these tasks. I know they are difficult. We are talking about issues which this region has not faced before, but it is imperative that we do it, and that we do it in good faith, that we do it together, and that we do it intelligently.

One final word: In answer to a series of questions before the Senate, I indicated that the industry, at no time, has ever rejected a call on the part of any government agency to sit down and discuss how we might participate -- if we are asked to -- in any aspect, including funding. I said that the industry is entering a very, very difficult period. I will tell you quite frankly, the deal which was consummated yesterday between Mr. Trump and Mr. Griffin is going to begin a series of events which are going to create a traumatic effect in this city -- a traumatic effect. Nobody truly knows the scope and the impact that that deal is going to have, except it is going to, very frankly, I think, have some very serious consequences on existing houses. It refers back to exactly what we are talking about today, and that is that this industry, for better or worse, at this stage of the game, is not going to be able to rely on a 150-mile bus, six-hour stay core market. That is a very simple fact. So, we have to, if we are going to survive, look at these other alternatives.

With that, may I again thank you for allowing me the privilege of appearing here today. I will send you a clean copy of the testimony that I gave before the Senate, and I will

leave you the study. I know I gave it to the Senate Committee. I am not sure I gave it to you, but you are more than welcome to have it. Thank you again. I hope I didn't detain you.

ASSEMBLYMAN SCHUBER: No, that's okay. Thank you.

Senator Gormley, do you have a final word?

SENATOR GORMLEY: First of all, thank you for having the public hearing you have had today in Atlantic City, and for the deliberate process that the Committee has exercised in reviewing this issue.

Obviously, with the amount of testimony you have taken, you can get an understanding of why the bill is somewhat complex, or a little bit different than other agencies you have seen. To balance home rule, to balance the environment, to balance economic development, and to treat all of them fairly are very delicate issues, and I certainly appreciate the manner in which the Committee is coping with the balancing of those issues.

The point that I think is essential to make, is that throughout the testimony you will find that conclusions are drawn. This will happen or that will happen. The only thing that will happen with the passage of the bill is that there will be an agency vested with the authority of the State and the support of the State -- the financial support of the State -- not to react to a bill that gives them a set of conclusions, but instead to plan and get to those conclusions. A lot of the comments would give the appearance that the bill directs that there be a certain level of development, or that certain things are a fait accompli. That is not the case.

The main focus of the bill is that there is an entity that ends the political debate, so that then a true planning process can begin. If anyone were to say that Bill Gormley favors a particular runway, a particular date, a particular time-- I do not. What we have to do, though, is get a body in

place that, quite frankly, doesn't take any of the sides that have been mentioned today, but a body that is able to, quite frankly, go beyond the debate that has mired this issue for years, and is able to then draw the planning and coordination conclusions that have been missing for years.

If anything, the divergence of opinion today shows the need for that agency, because the debate would go on forever. But to treat everybody fairly who has a divergence of opinion, it is essential that the bill not draw permanent planning decisions, but instead open the process for an independent agency to do the coordination, so that these conclusions can eventually be reached.

Thank you very much for taking the time. I think it was a wonderful demonstration -- an honest demonstration by the State and the Committee of its concern for this region, the fact that the process was brought to the people. I think that makes whatever bill comes forth much more meaningful and much more open. Thank you very much.

ASSEMBLYMAN SCHUBER: Thank you, Senator Gormley. I would indicate to you that this has been a very helpful hearing for the Committee in its ongoing process to review this situation. I happen to agree with Tom Carver. I think that the impact of this bill is one of significant import for South Jersey. If, in fact, we do anything with this at all, we want to make sure that it is done correctly, taking into account everyone's concerns. As was indicated to someone outside before, if you are to establish one of these things -- an authority such as this -- you better take out the kinks now, because you will never get them out later on.

I appreciate everyone coming here. I would indicate to the residents of Hamilton, Galloway, and Egg Harbor Townships, I sympathize with you. I live in the pathway of an airport in North Jersey and, believe me, we have been living with some of these problems for many years. I have always

said, "I wish I was here when this airport was created. We could have done something at that time." Well, we have that opportunity to do that here.

In any event, this Committee meeting is concluded. There will probably be one more meeting on this issue. I thank everyone -- all of the members of the Committee -- for coming here today, and the members of the staff, and our recording staff also. Thank you so much.

**(MEETING CONCLUDED)**

## **APPENDIX**





THE SENATE TRANSPORTATION AND COMMUNICATIONS  
COMMITTEE

OCTOBER 18, 1988

TESTIMONY OF

THOMAS D. CARVER, PRESIDENT  
CASINO ASSOCIATION OF NEW JERSEY

Thank you and good morning Mr. Chairman and members of the Committee. I deeply appreciate the opportunity to discuss with you transportation issues in the southern portion of our state. I believe these to be the most critical development and government issues our region will face in the next 25 years. The manner in which this legislation develops will affect whether or not southern New Jersey reaches its unlimited potential; whether we shall be able to plan and develop in a logical, sequential basis or whether we shall stagnate by permitting growth on an ad hoc basis - minus the necessary transportation infrastructure improvements required in a timely fashion.

I believe each of you would concur that cohesive, comprehensive transportation policies and planning are required to both promote and protect New Jersey's future. Good, solid transportation infrastructure will promote our distinct geographical advantages. It also will allow us to retain our hard earned economic gains before it is too late to do so.

Recently, several major newspapers, specifically The Star Ledger and The New York Times, reported extensively on conditions in Atlantic City and the southern region. These series pointed out a litany of misinterpretations, miscalculations and misconceptions concerning the impact of casinos. The articles detailed the detrimental consequences of concentrating on home-rule, local and regional pride and political control to the exclusion of reasonable alternatives. Last week I forwarded copies of those series, and other recent pertinent articles, to each member of the legislature. I would urge all members to take the time to read the material and to reach their own conclusions.

The threshold issue is whether we should continue on this 10 year path, or chart an alternate course based on the facts a decade later.

In a sense, we are very lucky. It is not often, given the explosive growth and dynamic conditions already experienced, that a second chance comes along. But in this case it has. Our growth, the increase in employment, the new homes and new business have, for the most part, been concentrated in a relatively small area of the region. Our transportation problems, while serious, are not overwhelming. Therefore, we have the opportunity not only to do that which we failed to do at the outset, but we also have the opportunity to map the future in a logical, progressive, intelligent manner. It is late, but not too late. The fat lady may be humming, but she isn't singing.

Nevertheless, the factors which precluded solutions in the seventies still exist today. Political and home rule issues abound, not only in Atlantic City and Atlantic County, but across the lines of the numerous authorities charged with transportation and development. Growth has become the "G" word to many of our citizens who fail to understand that it will continue whether we wish it to or not. We must take steps to allay such fears and to convince the people, and ourselves, that controlled, coordinated and planned growth can benefit everyone.

This Committee, and this legislature, are in the unique position of playing the key role. Today you can begin the process to establish a governmental structure designed to assure that a comprehensive, coordinated, all-inclusive transportation plan is evolved in southern New Jersey. The task will be far from easy, and the issues are varied and complex. I would like to share my thoughts relating to several of these major components with you.

The casino industry is a part of New Jersey. The days of the so called casino experiment, if it ever existed at all, are over. The industry, arguably, has become the most significant single 10-year economic event in our history. It is an unparalleled economic foundation. It's economic benefits are legion - almost 68,000 direct and indirect jobs, more than \$1.3 billion for the state's seniors and disabled; more than a billion dollars over the next 25 years for redevelopment throughout New Jersey; more than \$800 million annually to New Jersey firms for goods and services, and I could go on.

The key point, however, for our purposes is that the state of New Jersey is both an economic partner as well as an economic beneficiary of the industry. It is highly speculative that the public money detailed above would, or could, be replaced by taxation should the industry falter. Therefore, it can reasonably be suggested that the private and public sectors of New Jersey have a vested and continuing interest in the economic vitality of the industry.

Where does the industry stand in 1988? Economically, it is in questionable condition. The minority of its members report profits in excess of 5%. Some houses face a dim future with the possibility of failures an ever present condition.

In addition, the industry is overheating. Additional capacity is under construction. Serious employment shortages will be exacerbated by next year. It is obvious that the local employment base is virtually exhausted. After 10 years, it also is obvious that the industry cannot continue to rely exclusively on a 150 mile radius bus and car market. In short, we must change our methods of

marketing, operation and employee recruitment to reflect changing conditions. We are doing so. However, we will not succeed without the commitment of the public sector to provide the necessary transportation facilities and services.

I mentioned that casinos are an unparalleled economic foundation. They are, and should be, merely the first step to other development, to new commerce, and industry, more jobs and to additional residential construction which could improve the quality of life for every citizen in the 8-county region. The analysis and recommendations of your committee will determine the degree of possibility and probability of those results.

With this background, I would like to address some major components of the proposed legislative packages.

The first major concern, is the development of adequate air terminal facilities to serve the region. I must emphasize that this, again, is not merely a casino industry issue. Neither will I attempt to minimize its importance to the future economic vitality to the industry. We desperately need improved air service, and we are working hard to obtain it. Without it, the industry will not grow appreciably, in fact it will stagnate. We will not be able to compete with other major convention and resort destinations.

To reiterate, this is more than a casino issue. A functioning regional airport designed to accomodate regular air service will serve as an independent economic generator totally apart and independent from the casino industry. It will help to assure industry success, but simultaneously it will decrease our economic dominance. It can assure that new industry and commerce will be

developed. It will broaden southern New Jersey's economic base so that reliance on a single service oriented industry will be lessened. We need only to see the results created by increased traffic at Newark International to see what can happen.

In addition to airport development however, there will be other major transportation improvements required. Access roadways, improvements to existing roads, street widenings and other work both in Atlantic City and the region are already required and the list will grow. The legislation contemplates these needs. Both the Assembly and Senate bills clearly reflect the intention to establish an agency charged to produce a coordinated, comprehensive transportation plan; and an agency which will have the ability to plan, construct, finance and operate the facilities required.

May I next turn to the financial issue. Public transportation agencies finance improvements in two basic ways - the sale of municipal type bonds, and user fees. Although any agency created as a result of these bills will certainly employ both methods, it is important to point out that the financing of public facilities, especially airports, has undergone major changes in the deregulated atmosphere of the 1980's. Prior to deregulation, major carriers usually negotiated long term lease agreements with airport authorities. These leases formed the basis for airport financing. Since deregulation, few carriers are willing to enter into such agreements unless they do so for their own terminal facilities at established destinations. Examples such as United at O'Hare and Continental at Newark are the exception, not the rule.

Atlantic City is not a high demand destination within the airline industry. We must create that demand. As a result, major airlines will not underwrite massive financing for new terminal development. Nor can we expect that they will support exorbitant lease arrangements. Airport development and construction must be based on realistic traffic estimates and reasonable financing structures. User fees cannot be used to generate profits on the backs of air carriers. To assume that this is possible would be folly.

Therefore, the financing of potential development of new air terminal facilities at Pomona must be addressed as part of any legislative solution. In addition, funding will be required for other transportation needs, including additional airport parking and terminal frontage, hangers, maintenance, crash/fire/rescue equipment, police, security and other staff. Financing also will be required off airport. Roadway improvements, traffic signalization, and other needs will require extensive financial commitment.

Contrary to some popular thinking, most transportation facilities are not money producers, especially during the early years. It takes time for airports to produce operating profits while development and start up costs are being amortized.

In short, a reliable permanent method of financing must be established within the legislation. Although a variety of funding sources are under consideration, and each is acceptable, the most sensible method would be to employ the toll mechanism and bonding capability of the Atlantic City Expressway for such purposes for several reasons.



It is imperative that we begin to leverage our transportation dollars in every possible way. Our great toll roads must be part of this process. They no longer exist in a vacuum, and the interdependency of transportation facilities and services must be recognized. In fact, these concepts are not new. The Port Authority of New York and New Jersey has for many years used such concepts to fund needed transportation facilities. Tolls helped to build Newark International as well as LaGuardia and Kennedy. None of these facilities would have been possible without such financing concepts. They may not be possible in southern New Jersey without a similar approach.

As you are aware, the legislation introduced by Senator William Gormley calls for the new agency to incorporate and undertake the functions of the Atlantic County Transportation Authority. We strongly concur that the responsibilities and duties of the Atlantic County Transportation Authority be melded into the agency concept under review in the Senate and Assembly. It would serve little purpose to have yet another agency created to duplicate or compliment the work of a second.

We make no recommendations concerning the make up of such an authority except to state that interests of Atlantic City and Atlantic County should be a primary concern.

Atlantic City has vested rights in the existing airport properties. These rights must be protected and secured. I am confident this can be accomplished under an appropriate lease arrangement between an authority and the city. In addition, the city has insisted that it receive adequate voting representation on the authority. This is not unreasonable.

Similarly, Atlantic County and its affected municipalities desire appropriate representation. At present, differences remain between these jurisdictions. Nevertheless, leaders in the City and the County have reached basic agreement. There is no reason to assume that overall agreement cannot be reached to protect the interests of the entire region.

A state which built the Meadowlands Complex; which has continued the unique bi-state compact with New York to operate the Port Authority and which created the Transportation Trust Fund can resolve these issues.

It is time. Time to address transportation as a whole on a regional basis. It is time for intelligent thinking and rational compromise. It is time to do the right thing - time to place political issues, civic pride, and the common good in perspective. It is time.

