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Liberty State Park

**An
Evaluation
of Development Potential
in and around
the
Liberty State Park Site**

**for
The Liberty State Park
Study and Planning Commission**



**A Panel Service Report by
ULI-the Urban Land Institute
1200 18th Street, N.W.
Washington, D. C. 20036**

LIBERTY STATE PARK
New Jersey

AN EVALUATION OF
DEVELOPMENT POTENTIAL IN
AND AROUND THE LIBERTY
STATE PARK SITE

For The Liberty State Park
Study and Planning Commission

Newark, New Jersey
October 3-7, 1977

A Panel Service Report by
ULI-the Urban Land Institute
1200 18th Street, N.W.
Washington, D.C. 20036

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FOREWORD

Local communities and both private and public land users are often faced with major land use and development issues without convenient access to advice from knowledgeable and experienced practitioners in the field. In recognition of this need, ULI-the Urban Land Institute operates the Panel Service Program, which brings the practical experience and talents of ULI's leading members to bear on difficult community and project development problems. The Panel Service Program has served nearly 100 communities and developers over more than a quarter century. Panel members are carefully selected to fit the needs of each panel service from ULI's six Councils: Commercial and Office Development, Industrial, New Communities, Recreational Development, Residential, and Urban Redevelopment. Members contribute their time and knowledge without personal remuneration.

This report is the culmination of such a study conducted for the Liberty State Park Study and Planning Commission, a State commission appointed by the Governor of New Jersey to review plans for the development of the Liberty State Park in Jersey City, New Jersey, and to investigate the feasibility of developing a park with utilized private investment to enhance the potential of the park and the redevelopment of adjacent areas. The Commission asked ULI to assist it in its evaluation of private investment potential and to recommend approaches to the desired private investment potential and public objectives for the Park and its environs.

A ULI Panel of development and planning practitioners was convened in Newark on October 3, 1977. The Panel spent a week in the vicinity studying the problem. An oral public report was presented to the Commission and interested citizens on October 7.

ACKNOWLEDGMENTS

The Panel expresses its appreciation to Chairman John T. Connor and the other members of the Liberty State Park Study and Planning Commission for giving the Panel an opportunity to participate in the planning process for the Liberty State Park -- an important project with national significance. Special thanks are also due to Brian J. Strum, Executive Director, and James A. Sinclair, Associate Executive Director of the Commission. They did an excellent job in preparing the advance briefing kit for the Panel and in making the arrangements for Panel members' visit.

Betty Wilson, Deputy Commissioner of the New Jersey Department of Environmental Protection; Jerome J. McCabe, Chief of the Bureau of Capital Planning and Improvements, New Jersey Department of Environmental Protection; and John S. Wilson, Engineer of Design for the Port Authority of New York and New Jersey, also provided special assistance.

Individually and in teams, Panel members talked with over 80 people, including local and State government officials, local citizens group representatives, members of the real estate development and brokerage industry, architectural and planning consultants, and others. Each willingly provided information important to the Panel's deliberations.



Aerial view of Liberty State Park site (in foreground).

PANEL MEMBERS

THOMAS F. MURRAY, Financial and Real Estate Consultant, New York, New York. Murray is the Immediate Past President of ULI-the Urban Land Institute and is an Executive Group Member of the Institute's Commercial and Office Development Council. Murray was employed by The Equitable Life Assurance Society of the United States from 1946 until his retirement as Executive Vice President and Chief Investment Officer on November 1, 1975. He has written a number of articles on transportation problems and the financing of urban renewal. He has made frequent speeches on his specialties before trade and professional groups throughout the country.

A member of the New York Society of Security Analysts and the National Association of Real Estate Boards, Murray is chairman and trustee of The Equitable Life Mortgage and Realty Investors and a trustee of the Franklin Savings Bank. He is also a member of the Board of the National Chamber of Commerce.

R. JOHN GRIEFEN, Director, Boston Office, Gerald D. Hines Interests, Boston, Massachusetts. Griefen is a Trustee and Executive Group Member of ULI-the Urban Land Institute. He is responsible for developing commercial and industrial project opportunities for the Hines Company.

Gerald D. Hines Interests is a nationally recognized investment builder/developer headquartered in Houston, Texas. To date the firm owns and manages more than 180 diversified projects totaling in excess of 20 million square feet. Projects include office towers, office parks, retail centers, manufacturing plants, warehouses, distribution centers, industrial parks, and residential developments. Among the firm's most distinctive projects are One Shell Plaza, the Galleria Complex, and Pennzoil Place in Houston; TWA Headquarters in Kansas City, Missouri; and One Shell Square in New Orleans.

Griefen was previously Senior Vice President of Cabot, Cabot & Forbes Co. and was responsible for the company's national program of industrial building development.

Before joining Cabot, Cabot & Forbes in 1959, Griefen had extensive experience in industrial real estate brokerage throughout New England as a Vice President of R.M. Bradley Co., Inc. In 1953 he assisted former Governor Christian A. Herter in establishing the Massachusetts Department of Commerce, where he served as Deputy Commissioner in charge of plant location for two years. Before this experience, Griefen was manager of one of New England's largest lumber and building materials operations in Worcester, Massachusetts.

Griefen is currently a national director of the Society of Industrial Realtors. He recently served on the Boston Economic Development and Industrial Commission and has lectured on industrial development and real estate investment at Boston University, M.I.T., and Harvard College.

GEORGE S. LaPORTE, JR., President, Newport Associates, Inc., Hartford, Connecticut. LaPorte is an Executive Group Member of the Industrial Council of ULI-the Urban Land Institute.

As President of Newport Associates, Inc., LaPorte is responsible for leasing Constitution Plaza and Hartford National Tower. He is also responsible for the development of 500,000 square feet of office and storage building for AETna Life and Casualty. LaPorte is a consultant in various major cities on urban property.

Before his affiliation with Newport Associates, Inc., LaPorte was responsible for major developments in Ontario, California, Massachusetts, and Florida with the Perini Corporation. LaPorte has also been involved in the master planning of 14 industrial parks in New England and one in Pennsylvania during his past association with Cabot, Cabot & Forbes.

DON LOCHMOELLER, Vice President and Director, PGA Engineers, Inc., St. Louis, Missouri. Lochmoeller's responsibilities at PGA Engineers include being in charge of site engineering and planning for numerous industrial parks, residential developments, recreational parks, and theme parks. PGA is a civil, structural, mechanical, and electrical engineering firm with offices in St. Louis and Kansas City. It is an affiliate of Peckham-Guyton, Inc., architects and planners. Together these firms have produced the following developments: Busch Gardens in Williamsburg, Virginia, and Tampa, Florida; Irvine East Industrial Park in Los Angeles, California; Executive Park in Kansas City, Missouri; Earth City in St. Louis, Missouri; Nonconnah Corporate Center in Memphis, Tennessee; Busch Corporate Center in Columbus, Ohio; Freeway Commerce Center in Phoenix, Arizona; and Riverside Business Center in Vancouver, British Columbia. Many of these projects are in the floodplain of major watersheds, and the skillful planning and environmental controls have received national design recognition.

Lochmoeller is a graduate of the Washington University (St. Louis, Missouri) School of Engineering and has done graduate study at the University of Missouri.

JEROME J. MICHAEL, President, Jerome Michael and Associates, Bethesda, Maryland. Michael is an Executive Group Member of the Urban Redevelopment Council of ULI-the Urban Land Institute. He heads his own consulting firm, which specializes in income-producing properties -- retail, office, industrial, multifamily residential, and multiuse. His services include market studies, predevelopment consulting, investment analyses, joint venture formations, and financing procurement.

Michael has been active in the urban development process for the past 17 years, having been associated with Larry Smith & Company before opening his own office in 1973. During his career as a real estate consultant, Michael has either directed or has been an active participant in projects ranging from downtown revitalization efforts to suburban regional centers, office and industrial parks, multiuse projects, recreational land use, and

public facilities including airports, both in the United States and abroad, particularly Central America, the Caribbean, and the Far East.

His clients include major national and regional retailers, developers, financial institutions, real estate investors, and local governments. Michael is a member of the Urban Land Institute, the International Council of Shopping Centers, and the National Association of Home Builders. He has published a number of articles dealing with real estate investment strategy. His most recent publication deals with the development of small and intermediate shopping centers as an investment vehicle.

Michael is a graduate of George Washington University, Washington, D.C.; School of Market Research, St. Gallen, Switzerland; and Charles University, Prague, Czechoslovakia.

MARK A. SMITH, Urban Planner, Norfolk Redevelopment and Housing Authority, Norfolk, Virginia. Smith's current work with NRHA deals with the planning of future redevelopment and conservation projects within the City of Norfolk, the evaluation of potential new land uses, and the assessment of the environmental impacts of project actions, including the writing of environmental impact statements.

As a planner and licensed architect, Smith has previously worked with several architectural firms and other planning agencies. He served for two years with the United States Peace Corps in Morocco as an architect/planner, where he worked with the Délégation Régionale de l'Urbanisme, l'Habitat et l'Environnement in the City of Oujda, Morocco. Working in the official administrative language, French, he did both land use planning and architectural work. One example of this work was for the town of Kleta Jbel des Beni Sidel. This rural community needed a land use plan to guide its growth for the next ten years in ways which are compatible with the establishment of water and electrical service, planned streets, buildings to house government services, and other new land uses. While in Morocco, Smith also served as a technical coordinator and instructor for an architect/planner training program.

Smith is a graduate of the University of California at Berkeley (Bachelor of Architecture) and the University of North Carolina at Chapel Hill (Master of Regional Planning).

FRED F. STOCKWELL, Executive Vice President, R.M. Bradley and Company, Boston, Massachusetts. Stockwell is an Executive Group Member of the Commercial and Office Development Council of ULI-the Urban Land Institute.

Stockwell had an active part in the development of Hobbs Brook Park, an 85-acre, suburban office park in Waltham, Massachusetts, and One Beacon Street, a downtown Boston, 40-story office building. Stockwell's firm serves as agent for the Prudential Center, which has a 52-story office building and a 26-story office building in Boston.

He is a Trustee and Member of the Board of Investment of the Charlestown Savings Bank; on the Board of Directors of the Oliver Tyrone Corporation, Pittsburgh; a Trustee of the Northwestern Mutual Life Mortgage and Realty Investors; a member of the Investment Committee and Director of Controlled Environment Corporation.

Active in various professional and civic organizations, Stockwell is Vice President and a member of the Board of Directors of the Greater Boston Chamber of Commerce; a member of the National Association of Real Estate Boards; and a member of the Greater Boston Real Estate Board.

DUDLEY S. TAFT, President, Taft Broadcasting Company, Cincinnati, Ohio. Taft is an Executive Group Member of the Recreational Development Council of ULI-the Urban Land Institute.

The Taft Broadcasting Company is a diversified entertainment company with three principal divisions: broadcasting, amusement parks, and film production.

A few current projects include Kings Island Amusement Park in Cincinnati and related developments including a 200-room motel, golf course, and condominium development (The Greenery). Kings Dominion Amusement Park and related developments, including a motel and campground, are also Taft projects.

Taft is a member of the Ohio Bar and member of the Board Association Maximum Service Telecasters. He is Vice President and Trustee of the Cincinnati Music Hall Association and President of the Louise Taft Semple Foundation.

Taft received his Bachelor of Arts degree from Yale University and his LLB from the University of Virginia.

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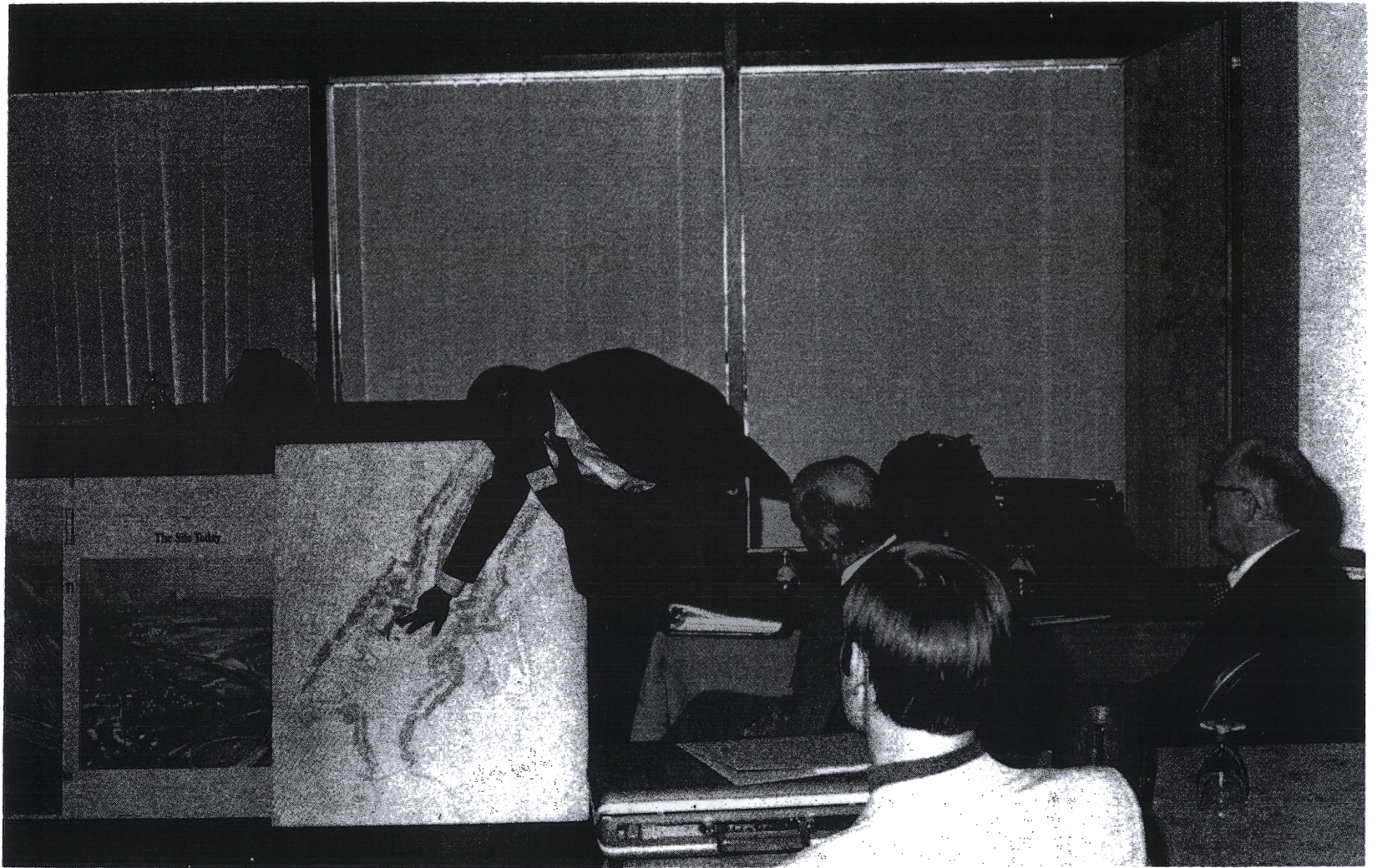


Regional location of Liberty State Park

PANEL'S ASSIGNMENT

The Liberty State Park Study and Planning Commission was created in April, 1977 by Governor Byrne to review the studies and plans for the park structure previously made and the master plan then under preparation, determine the capital costs of constructing the park, determine the operating costs of such a park, and to investigate "the feasibility of developing a park which utilizes private investment to enhance the potential of the park and the redevelopment of adjacent areas."

The land, situated south and east of residential areas of Jersey City, has a two-mile coastline and consists of 600 upland acres. The master plan under preparation by the firm of Geddes, Brecher, Qualls and Cunningham pursuant to a contract with the New Jersey State Department of Environmental Protection, envisions a two-mile walkway along the water's edge, the restoration of the Central New Jersey Railroad Terminal at the northern end to be used as a museum, the creation of at least one marina, a wildlife preserve, restaurants, and some commercial space near the museum, vast open areas of green space as well as other facilities. These activities have been confined to the easterly two-thirds of the park land. Estimates for the costs of completion of the construction of these facilities approach \$200 million. The Commission is concentrating on the northwesterly portion of the park and the acreage lying to the north of the Tidewater Basin and east of Jersey Avenue presently owned by the Jersey City Redevelopment Authority to determine the type of private investment that might be brought into the park to offset these tremendous costs.



Brian Strum, Executive Director of the Liberty State Park Study and Planning Commission, briefs Panel.

The Liberty State Park Study and Planning Commission asked that the ULI Panel address the following issues:

Objective #1:

To evaluate the development potential of the land in and around Liberty State Park.

Questions:

1. Assuming the construction of public and recreational facilities in Liberty State Park, what is the economic potential of development of the adjacent land?
2. Is development of the adjacent land economically feasible to the point at which such development will produce revenues to offset, at least in part, the construction and maintenance costs of Liberty State Park?
3. Given the transportation, population, and landmark attractions of the area, will the area support a modern theme park which will not only be self-supporting economically but also produce surplus revenues to offset the costs of Liberty State Park?
4. Will the area support a motel or hotel facility? What is the optimum size of such a facility? How much public function space is needed?
5. Will the area support a conference center as opposed to a transient motel? What size facility should be planned?
6. Is there a potential market for high-density office space? Should this be high-rise or low-rise? How much office space should there be? What amount can be successfully marketed? What type of office space should this be -- technical, office/showroom, office/warehouse, office/showroom/warehouse, etc? Would this type of development produce sufficient revenue to offset the costs of Liberty State Park?

7. Is there a potential market for industrial development? What kinds of industrial space and how much should be built? Would this type of development produce sufficient revenue to offset the costs of Liberty State Park?
8. What is the potential market for retail development? What would be the total area and type recommended?
9. Is there potential for residential development? Would this be multi-family? For low, moderate, or high income families? Where would this be located and what total area would be occupied? Would this type of development produce sufficient revenue to offset the costs of Liberty State Park?
10. How would any development relate to the park facilities?

Objective #2:

To examine alternative land use proposals and recommend a specific course of action for development of the area.

Questions:

1. Which, if any, of the proposed land uses can be most successfully developed from a marketing standpoint?
2. What is the recommended mix of land use possibilities?
3. What are the transportation, access, water, utility, etc. problems?
4. What are the parking needs? Where should they be placed geographically?
5. Are there any construction or operating constraints related to location or environment?

Objective #3:

To provide guidelines for the execution and implementation of the recommended land use development.

Questions:

1. How should developers be solicited to participate?
2. What kind of developers?
3. Will it be necessary to phase the development over a period of time?
How long a period? What type of phasing?
4. What public and private financial tools can be used to facilitate the development?
5. What should be the relationship between the developer and the state?

Objective #4:

To facilitate the coordination of public officials, community groups, and prospective developers in acceptance of a unified development program.

Questions:

1. What is the best method of bringing together all parties and expediting the program?
2. How might we best rally public support?
3. What relationship should be encouraged between the city and the state?
4. Considering the costs of new development, what kind of assurances might be necessary in order to bring developers to this area?



Panel members and Commission staff on tour of Park and vicinity.

HIGHLIGHTS OF THE PANEL'S FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

1. The development of a theme park on the park site or at the Greenville yard site is economically unfeasible due to inadequate size of the sites, poor general location, and other reasons.

2. There will be potential for a number of revenue producing retail and service commercial activities oriented toward park visitors. Such facilities could be developed in conjunction with the development of the park and would include restaurants, gift and craft shops, and exhibition, entertainment, and recreation facilities. The market potential for non-park oriented retail and service facilities is negligible.

3. Given the general location and regional accessibility of the area, there is a potential for the development of office space in the Liberty State Park area; however, this potential cannot be realized until the image of the area is radically changed.

4. There is a potential market for warehousing, distribution, and manufacturing facilities, although the demand for manufacturing facilities is very thin. The most immediate opportunities for industrial uses are in the Caven Point or Greenville Yards area.

5. There is a potential for hotel and conference facilities given the general location and prospective improvements in the area. More detailed study of the market for such facilities is required to gain a better idea of the appropriate scale and timing for this development.

6. There will be little opportunity for generating proceeds for commercial and industrial development on a scale large enough to significantly offset the cost of developing Liberty State Park, although such development may benefit the local economy through increased jobs and tax revenues.

7. Given the regional significance of the development of the park and the need to coordinate the various planning and development efforts in the waterfront area above and below the park site, a special development commission should be established to plan and coordinate development in the general waterfront area.



View of Park Site

FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS

INTRODUCTION

The Liberty State Park (New Jersey) Study and Planning Commission asked the ULI Panel to evaluate the development potential of, to examine alternative land use proposals for, and to recommend a specific course of action for the development of the Liberty State Park area. The Panel's report was to include guidelines for the execution and implementation of the recommended development plan. The area to be addressed was defined as the state, city, and privately owned lands in and around the Liberty State Park site, including the Jersey City redevelopment area on the north side of the Park site and the Caven Point and Greenville Yards areas on the south (see page 24).

In pursuit of the study objectives, the Panel members conducted the following activities to gather information:

- an intensive review of reference materials provided by the sponsor before the Panel's arrival at the site
- attendance at a briefing by key Commission and other State officials involved in the Park's planning and development
- interviews with local real estate brokers and developers, local officials, interested local citizens, Commission members, consultants involved in the planning of the Park, and other key parties and
- a tour of the Park site and surrounding area.

The Panel then deliberated on the questions before it over the remainder of the week spent on site. The Panel's findings, conclusions, and recommendations resulting from its study are presented on the following pages.



Boundaries of Liberty State Park Site and Location of Area 4.

DEVELOPMENT POTENTIAL OF THE PARK AND NEARBY SITES

This section presents the Panel's evaluation of the economic potential for the development of income-producing activities in or near the proposed Liberty State Park. The conclusions from this evaluation provide the basis for determining the extent to which commercial or industrial activities can be developed to offset part of the cost of developing the Park.

The Panel's conclusions regarding potential land uses in the general vicinity of Liberty State Park are based upon a review of the site's location and physical attributes, previous studies of development potential in the area, interviews with local real estate professionals, and Panel members' expertise in this area.

GENERAL ASSETS AND LIABILITIES OF THE AREA

The first step in the analysis was to identify the general developmental assets and liabilities of the area under study, i.e., those aspects which govern the current and short-term development potential of the area.

The area's major assets are:

- excellent regional accessibility, afforded by the spur of the New Jersey Turnpike (and the potential of the site for improved turnpike access) and by proximity to the PATH station at Exchange Place
- the large size of the tracts of land on or near the water which may be available for development, coupled with the relative scarcity of such sites in the region
- the prospects for a favorable physical environment once the Park is substantially completed

- the prospects for the development of the Park into a major tourist attraction
- the proximity to Manhattan, the Statue of Liberty, Ellis Island, and the Hudson River
- the extraordinary views of the Manhattan skyline, the Statue of Liberty, and the river and harbor.

The area also has some liabilities, however:

- the adverse image of the adjacent urbanized areas, in terms of their physical quality, and their social, political, and economic conditions and trends
- inadequate immediate road access to the site, in spite of excellent regional access from the turnpike
- the availability of competitive sites and locations for certain land uses within the general area of Liberty State Park and elsewhere, including downtown Jersey City, downtown Newark, and other locations throughout Hudson County and New Jersey
- poor subsoil in certain areas adjacent to or within the proposed Park, which requires substantial capital outlays to improve the land for building
- the desire of some local citizens groups to reserve the entire area of Liberty State Park as a green, open space with no income-producing developments
- the apparent necessity to relocate or extend utility and sewer lines crossing the property before any significant development can be started.

POTENTIAL INCOME-PRODUCING LAND USES

Given the adverse factors currently affecting the development potential of the Park and adjoining land, the Panel has concluded that significant income-producing development is not feasible within the immediate future, but that significant opportunities will arise as the Park is developed and other actions are taken to reduce or remove the area's liabilities (by improving local access, for example).

The Panel looked at various types of potential development. They include:

- private amusement or theme park for the Greenville Yards site
- recreational and cultural activities
- recreational vehicle park
- office development
- industrial development
- retail facilities
- residential development
- hotel and conference facilities.

Private Theme Park

A theme park similar to Disney Land is deemed not feasible for the Greenville Yards site because:

- The amount of land required for such a park to have a full impact on the market is about 250 acres. Only 135 acres of land are currently available at Greenville Yards. The shape is unsuitable, and the cost of filling to create additional land would be excessive.
- This tract of land requires substantial site preparation to make it suitable for a theme park. The excessive costs connected with site improvement are deemed uneconomical to justify a theme park at this location.
- Contemporary theme parks are usually found on well treed sites with excellent soil conditions to support heavy landscaping and screen unattractive park elements. The Greenville Yards site, while it is level, would require additional unsupportable capital outlays to bring it to a comparable state.
- Land uses to the north, west, and south are incompatible.
- To accommodate the large amount of traffic, expensive access highways would have to be built, requiring further extensive capital outlays.

- Modern theme parks are most successful when somewhat removed from city core and congested areas (as opposed to traditional parks such as Coney Island and the Palisades, where the emphasis is on escape from crowded urban areas).

The Panel feels, however, that certain elements of a theme park could be incorporated in the Park development with desirable results. This idea is discussed more fully in the next section.

Recreational and Cultural Activities

To increase the Park's recreational benefits and to generate revenue to offset in part the costs of developing and operating the Park, strategic recreational activities could be developed throughout the Park. Such activities would recognize the possibility and desirability of making Liberty State Park a project of national significance, while simultaneously fulfilling the local community's recreational needs. Supporting land uses should of course be compatible with and complement the Park's basic functions. They could provide greater entertainment, educational, cultural, and recreational opportunities than would otherwise be possible; they would provide revenues to the State through leases, sales, and income taxes; and they would provide needed jobs for local citizens.^{1/}

^{1/}In New Jersey, the basic mechanism for acquiring monies to offset maintenance and operation costs for the park system has been various forms of user fees. Typically, they are parking fees (\$2-\$4), entrance fees (\$.50), and fees for specific activities such as the use of camping sites and boat launching. Since most State parks are not readily accessible by walking and none are by public transit, the parking fee amounts to an entrance fee in all but name.

Liberty State Park, however, is an urban park that will serve the adjacent residential areas in Jersey City as well as visitors from out of state. Perhaps 50 percent of the visitors will walk in or arrive by public transit. It appears to be a different kind of park than the State is used to operating. While access should be controlled for reasons of management

The Panel has identified a number of facilities which would serve these purposes:

Seaquarium and Marine Mammal Exhibit. Such facilities are major attractions in other places and would be well suited to the site. Typically, such facilities require 20-25 acres for the exhibits of marine life. They present an excellent opportunity to produce revenues which normally exceed those required to operate and maintain such a facility. Development costs would be approximately \$10,000,000-\$15,000,000; entrance fees would be about \$3.50 per person, an amount roughly equivalent to the cost of a movie ticket. Operating expenses normally run at about 45-50 percent of gross income.

Amphitheater. This facility could be used for a variety of entertainment activities -- concerts, plays, dance recitals, etc. Activities could be either free or require an entrance fee. An example of such a facility is the Filene Center for the Performing Arts at Wolf Trap Farm Park outside Washington, D.C.

and public safety, the Panel believes that a minimum entrance fee should be charged for access to the general area of the Park. While the State park system would not lose its traditional source of parking fees, the Park's closeness to highly populated areas and good public transit will mean fewer arrivals by automobile and thus a loss of revenue. Therefore, income from other sources in the Park is required to offset the costs of maintenance and operation. Many of the proposed recreational concepts for Liberty State Park and other Park uses described in this report might support this objective in varying degrees. Certainly, the opportunity to earn income should not be the sole basis for evaluating the suitability of a use within the Park. However, those uses the Panel has proposed seem to be compatible with the overall intention of an urban park. In addition, the provision of activity centers throughout a park is an excellent way to ensure public safety and reduce expenditures for security.

Children's Playgrounds. In addition to traditional playgrounds in the Park, a special fee-for-use playground might be developed with highly sophisticated equipment and educational/adventure elements.

Athletic Facilities. Tennis courts, sports fields, miniature golf courses, boat rentals, swimming pools, and bicycle rentals can all be supplemental sources of income.

Special Swimming Facility. The park appears well suited to the development of a facility similar to River Country at Walt Disney World, which features swimming holes, water slides, jumps, and swings. This type of swimming facility is extremely popular with young people and has been highly successful in other locations.

Industrial Craftsman Area. While the environmental effects of the industrial concentration in northern New Jersey have been widely criticized, this industry has been the economic strength of the State and the source of jobs for millions of people. It is highly likely that almost every special industrial skill and trade can be found within this industrial complex. An industrial craftsmen's guild center would emphasize the area's economic resources. It would include exhibits, and practicing industrial craftsmen would display craft skills such as die casting and the manufacturing processes that demand those skills. Such a center would become a national attraction. It would draw on the talents of the region, offer an opportunity to preserve skills disappearing with automation, and display early historical skills and their contemporary applications.

It is possible that the industries that most use these skills could help finance the design and development of the exhibits and that U.S. labor unions could provide the skilled craftsmen necessary to make the exhibits

come alive. The exhibits could also produce products for sale.

Ethnic Exhibit. The significance of Ellis Island and its proximity to the Park cannot be overlooked. It is hoped that Ellis Island will be restored, that its role in the immigration of many people to the United States will be displayed there, and that access will be available from Liberty State Park. However, it may be just as suitable to develop a center of ethnic cultures at the Park. It would concentrate on preserving and sharing with visitors the understanding of the cultural background and heritage of the various national groups that have passed through Ellis Island. The center might recognize the diversity of individual national backgrounds rather than the melting pot aspect of our national population.

Science and History Exhibition. Such an exhibition, emphasizing marine and railroad facilities that played an important role in the history of the region and continue to be an important part of the economy, could be a major attraction.

Restaurants. As recent studies have confirmed, eating out is becoming one of our most important leisure activities. It appears that as Park attendance increases, there will be a need for a variety of food services, ranging from a floating restaurant on a historical ship or ferry boat to hot dog vendors.

Small-Scale Demonstration Farm. The New Jersey Department of Agriculture has proposed such a facility. It would provide an interesting educational experience for people in this highly urbanized region.

All of these facilities could be operated under the sponsorship of the Park, with franchises on a selective basis. Their principal purpose in or near the Park would be to increase the Park's benefit by providing

educational, cultural, and leisure activities.

Recreational Vehicle Park

Using certain areas of Liberty State Park or adjacent lands for a recreational vehicle park is seen as both a response to an apparent need and as a temporary or permanent source of income. Approximately 1,000 camp sites could be developed. They would be developed in stages, with the initial phase being 200-300 sites.

The Panel envisions the recreational vehicle park not as a trailer park or a mobile home park, but as a temporary home for traveling families. It would have an atmosphere of controlled design and landscaping and serve as a base for visitors to the metropolitan regions.^{2/}

The full development of 1,000 spaces, at an average occupancy of 90 percent for three months and 40 percent for nine months, would result in 190,000 user days. At rates of from \$10-\$15 per day, the potential gross income (from 1,000 spaces) would be from \$2 million to \$3 million annually.

Office Development

The Panel has concluded that the Liberty State Park area is generally suitable for office space developments, both general purpose and single purpose, but that any immediate potential is negated by the area's adverse image in relation to other locations in the metropolitan region. Hence, any immediate office development in the area, regardless of specific

^{2/}In near-in New Jersey and New York City, there is only one such park, located in North Bergen. By the standards established in the National Directory of Campgrounds and Recreational Vehicle Parks, it is marginal. The Panel surveyed the park during its visit. It was over 50 percent full, and approximately 90 percent of the license plates were from states west of the Mississippi River.

location, is not likely until a positive image for the area is established. In general, office space near the CNJ terminal could be marketed when that area is improved and the commercial services are open for business. Potential first users would be small-scale operations demanding 10,000-15,000 square feet; users requiring more space would enter the market as the area becomes accepted.

Traditionally, the general Jersey City area has not been considered a preferred location for office space because of its adverse image, high taxes, and ready opportunities elsewhere. Market surveys conducted in the early 1970s for the entire northern New Jersey metropolitan area found an average annual absorption rate for general purpose office space from about 800,000-1,100,000 square feet scattered throughout the various communities of northern New Jersey. Actual experience in the immediate Jersey City area indicates absorption rates from 15,000 square feet to 60,000 square feet annually during 1972-1975. These average absorption rates for Jersey City could be substantially increased if land were made available close to Liberty State Park and Caven Point, and if the image of the area were improved.

The Panel feels that potential office users in a location such as Liberty State Park would most likely be those in search of quality locations in a low-density environment, particularly users oriented to research and science. Establishing low-density office uses in the Liberty State Park area would tend to attract higher density office users later.

Since establishing a positive environment at Liberty State Park will take some time, the estimates of average annual absorption rates and market

shares attributable to that location are a matter of conjecture at this time. The initial estimate of 200,000 square feet to 400,000 square feet over a five-year period, after a quality environment is established, is therefore intended merely as a point of departure.

In summary, there is a potential market for office space because the area is close to New York City, the turnpike extension into the Holland Tunnel, and the PATH subway service to downtown and mid-town Manhattan. This potential cannot be realized, however, until the area's image is radically changed.

The office space would probably consist of low-rise buildings in the immediate future. The potential exists for high-rise buildings when Exchange Place is full, when the Liberty State Park area has been developed sufficiently to attract users, and when the market can absorb the increased foundation costs of high-rise construction.

The best location for an office development seems to be the area just south of the Tidewater Basin and west of the CNJ terminal, especially if the approaches to Exchange Place are improved. Additional low-rise facilities would be successful near the access ramps from the turnpike extension at Exit 14B and/or portions of Caven Point. If, as is recommended, Exit 14B of the turnpike is changed to the north, then low-rise office and industrial buildings could be developed nearby in Area 4. Extending PATH to this area is probably essential to development of intensive office use.



ULI Panel Chairman Thomas Murray (left)
talks with Commission Chairman John T.
Connor.

The quantity of potentially developable space required is hard to estimate at this point. A realistic objective over the next five years is up to 150,000 square feet near the Tidal Basin for low-rise offices and 200,000-400,000 square feet for low-rise offices at the Exit 14B access road area and/or at Caven Point. Users would logically include regional offices, technical or engineering firms, and other professional offices. As the general area develops, major users such as computer operations could well move into mid-rise structures with large floor areas. Safe, efficient access to PATH stations is a must for Area 4, while good access to the turnpike is essential at Caven Point.

The value to Jersey City, the State, and the region of such office use lies in added jobs, tax revenue, and spending in the community. Although the Panel considered all possible avenues, we could find no way that this type of development would produce sufficient revenue to significantly affect the costs of developing Liberty State Park. The reason is simple: Land sales or land based revenues are the only elements in office development costs that could bring revenue to the Park. Given the high site improvement costs in the area and the heavy competition among sites, there will be little or no increment between acquisition and improvement costs, and selling price. Therefore, little or no profit will be available to offset other Park development costs.

Industrial Development

There is also a potential market for industrial development, again because of proximity to New York City, the turnpike extension, and PATH.

Unfortunately, the market for job-producing industrial units such as labor-intensive manufacturing is very thin in New Jersey. An exception might be the printing and graphic arts industries now in Manhattan. They might be exploited because of the area's proximity to mid-town and downtown New York City. We suggest the intensive marketing of the Grant Building in the Liberty Industrial Park to attract a pilot printing or graphic arts firm to test the feasibility of such uses.

Securing any substantial number of manufacturing firms is a long, hard, and very competitive job. It will not be successful until the area's image is substantially improved. The most immediate opportunity for industrial use lies in an office-warehouse distribution facility, which would be most properly located in a portion of Caven Point or in the Greenville Yards. Such industrial space would be valuable primarily for the creation of tax revenues for warehousing and jobs for manufacturing. This is important to help offset the current 13 percent unemployment rate in the area and the general loss of manufacturing jobs in New Jersey.

Neither distribution nor manufacturing facilities would produce sufficient revenue to the State to offset development costs of Liberty State Park, for the same basic reasons that office space development would not produce a significant profit to the State.

The quantities of developable space will depend on how much of Caven Point and/or Greenville Yards is acquired, if any. The demand for distribution space will continue to grow in this general area; the demand for manufacturing space will depend on the success of attracting firms from lower and mid-Manhattan or elsewhere and relocating firms that might

otherwise move out of the area. In any case, the potential for office and particularly industrial use is difficult to measure in terms of demand satisfied, because it is impossible to foretell the future competitive position of the area.

As with office space, industrial development would be an asset to the area, but it cannot be achieved until the area is dramatically improved. Part of the area's economic improvement is to qualify the appropriate land for special property tax treatment under New Jersey's Fox-Lance Act, which seems to be the only way to bring local real estate taxes in line with other locations.

Well qualified developers should be able to obtain financing, on a private basis, for most of the commercial and office buildings they would build. If it is decided to lease land to the developers, the State could offer below-market lease rates and/or financial assistance through the New Jersey Economic Development Authority, which is authorized to grant tax-exempt financing to industrial plants and certain other business facilities. Federal funds might also be used to support the development of the area's economic base and the site preparation. Such funds would assist in keeping land prices at competitive levels and would speed up land development.

Retail Facilities

The Panel has concluded that the most appropriate and most possible type of retail development in the Liberty State Park area is that related to the Park itself and adjacent activities, as opposed to a regional or community shopping center. The potential retail activities can be divided into two basic types:

ed,

1. those serving visitors to the Park and
2. those supporting office, industrial, and possibly residential land users.

Of the two types, the larger development potential is that serving visitors to the Park. It is the more practical of the two and can be realized more quickly. This group would include retail uses such as fast food and other restaurants, souvenir vendors, or retail facilities connected with the proposed arts and crafts developments at the site.

The actual size of such facilities would of course depend on the Park's popularity. Consequently, the development of any retail facilities is to be done in stages, however small, in appropriate locations. It could ultimately result in a central facility of some 30,000-40,000 square feet in an appropriate location; it would be specifically oriented to Park visitors and tourists. The physical form of such a facility should complement the overall theme and quality of the Park itself, and thus harmonize with the Park's ultimate purposes.

Residential Development

While the Park's location is highly conducive to the development of residential facilities, particularly luxury housing because of the view offered by the Manhattan skyline and the bay, it is unlikely that such developments would be economically feasible. The cost of acquiring the land and of site preparation is extremely high. Just to defray the cost of the land, and without bringing any substantial benefit to the Park by defraying improvement costs or operating expenses, any residential facilities would have to be high-density developments.



View of Hudson River and Manhattan skyline through CNJ Ferry Terminal bay.

Hotel and Conference Facilities

The location of Liberty State Park suggests that the land can be used for a conference center combined with a hotel or motel. The location of the site within a highly industrialized area and the potential for office development in the general vicinity also support such consideration.

A brief examination of hotel and conference facilities throughout the area indicates that a conference center in Liberty State Park would have the competitive advantage of proximity to the waterfront and a view of the Manhattan skyline. Nevertheless, determining a specific opportunity in terms of size and timing is impractical at this time. Surveys of industrial and business establishments throughout the northern New Jersey metropolitan area would be required to establish the frequency and number of conferences, sales meetings, and similar events. Convenience, desirability, and preferences of potential users would have to be evaluated. A conference facility is considered a definite potential, however, once the area's image is improved.

RECONCILIATION OF POTENTIAL MARKET ALTERNATIVES

The land uses suggested above for consideration based on an analysis of market opportunities can be grouped into two categories:

1. Uses that complement or enhance the scope of activities within the Park. Included are playgrounds, athletic activities, cultural events, recreational facilities, and retail and service facilities such as restaurants and specialty shops. For the most part, they are visualized as being under the direct control of the State or of an authority overseeing the operation of the Park. In some cases, they would be franchised to individual entrepreneurs. These facilities are anticipated to pay their own way and, in addition, contribute to the operating expenses of the Park itself.

2. Other commercial and industrial land uses outside the Park that could be expected to support their own land costs but would not contribute significantly to the costs of Park improvement. Included are office, industrial, retail, and hotel developments.

Facilities in the first group could be implemented early in the Park development and in line with the prevailing demand for such services. Land uses in the second group are future possibilities; their implementation is entirely at the option of the State. It must be emphasized, however, that no one commercial land use, alone or in conjunction with other income-producing land uses, would be capable of contributing substantially to the funding of the Park's capital cost.



Panel members discuss assignment.

LIBERTY STATE PARK SITE IMPROVEMENT CONSIDERATIONS

In its examination of development opportunities in and near the proposed Liberty State Park, the Panel reviewed key site features -- transportation and access, water supply, sewage collection and treatment, drainage and fill requirements, foundation conditions, construction and operating constraints, parking, and development standards -- to identify key constraints and improvement needs in the area. The analysis centered on State-owned property between the proposed Park boundary and the New Jersey Turnpike extension (shown on the map on page 24 as Area 4).

TRANSPORTATION AND ACCESS

Private automobiles would probably be the most common mode of transportation to and from the area. The public could also reach the area from the PATH stations at Exchange Place and at Grove Street if PATH is extended into the area or if some other type of public transportation from those stations to the area is established. Commuters could also use the proposed Communipaw Station of the Jersey City-Bayonne Corridor Rail Transit System. The station would be located directly across the turnpike from Area 4.

Automobile access to the site is reasonably adequate for local residents. There are several access points: Jersey City residents can reach the area from Bayview, Communipaw, and Johnston Avenues on the west; residents from the Van Voorst area (to the north) can enter from Jersey Avenue; a bridge at Washington Street has been proposed for Paulus Hook residents.

Although local access is reasonably adequate, access from the New Jersey Turnpike is not. The turnpike exit serving the Liberty State Park area is at Bayview (Exit 14B). This exit was designed primarily to serve areas to the west of the turnpike. In addition, Wolf Drive, which is the current entry to Liberty State Park, is potentially an industrial highway. Proposed Highway 169 would have its northern terminus at Wolf Drive at a point just east of the turnpike and south of the existing industrial development. Highway 169 would also serve parts of the Greenville Yards and Caven Point areas to the south.

In addition to industrial truck traffic, rail spurs run along and across Wolf Drive in the vicinity of the existing industrial development. These features detract from the usefulness and desirability of Wolf Drive as the primary access to Liberty State Park.

Accordingly, the Panel recommends that a new access road to the site from the New Jersey Turnpike be constructed north of the existing industrial area so that an attractive, more functional, primary access to the Park is possible. The proposed entry would extend through the area adjacent to the Park; it would provide excellent access and visibility and enhance land values.

WATER SUPPLY

Adequate water can be made available by extending existing water mains serving the existing industrial development to the south and by extending the existing water mains in Communipaw and Johnston Avenues.

SEWAGE COLLECTION AND TREATMENT

A complete system of sanitary sewers would have to be constructed to serve the Park area. Because of the flat terrain, the sewer system would include pumping stations at intervals necessary to discharge sewage from the area. The existing Jersey City East Side Primary Treatment Plant would serve the area. This plant is located just east of the turnpike near Communipaw Avenue at the western edge of the property. It is reported to have adequate capacity for the additional flow anticipated from any new development in the area.^{3/}

It should be noted that sewage flows to this treatment plant have actually decreased in recent years, resulting in additional available treatment capacity. This decrease is the result of declining population and decreasing industrial employment.

DRAINAGE AND FILL REQUIREMENTS

Finished grade elevations will have to be compatible with storm drainage requirements. The plan for the inland watercourse within the Park will be beneficial to the adjacent land area (Area 4 on the map on page 24). The amount of fill required in this area will be directly related to the area's proximity to the stormwater outlet, which is the inland watercourse. Fill requirements will be minimized if the inland watercourse is extended by lake fingers into the area. As an added benefit, these lake fingers

^{3/}Additional sewage flows resulting from new development would range from 0.2 million gallons per day (mgd) to 1.0 mgd, depending upon the types of occupants. Generally, warehousing would produce the lowest flows, office and light industrial uses intermediate quantities, and high-density residential the largest flows.

would provide an attractive vista toward the Park from the interior of this site. Excavated material from the lake fingers might be suitable as fill for the area's development, thus reducing development costs.

FOUNDATION CONDITIONS

Available reports indicate that soil suitable for support of buildings on spread footings exists over a very small percentage of the area. In the remainder of the area, soft organic silts are present in the subsurface. Because of this condition, piling has been recommended for all but the lightest structures. The need for detailed subsurface investigations for any proposed buildings is quite evident.

This feature of the site will undoubtedly affect the economic feasibility of development.

CONSTRUCTION AND OPERATING CONSTRAINTS

Area 4 appears to have more value if the Park and inland watercourse are in place and functioning according to plan before it is developed. Such a waiting period would allow the general public to begin to enjoy the area, thus creating a regional and, it is hoped, national prominence.

At that time, Area 4 would appear to have a unique status in the region. It could perhaps generate the interest of the business community in the development of an office, light industrial, and/or residential community. The deferral would also allow the value of the site to appreciate to the point where additional foundation costs could be justified.

It appears wise to carry out certain site improvements in Area 4 concurrently with Park development. The excavation of inland watercourse

fingers into the area and any necessary fill could be done concurrently with similar Park work if such fingers are feasible and acceptable as part of the planning. Reports indicate that filling the area will result in settlement. Because such settlement would take place gradually over a period of time, performing the work concurrently with Park development will permit the land to stabilize before it is needed.

PARKING

A number of activities requiring parking facilities have been suggested for Liberty State Park. Many of them will be of varying sizes. Parking should be developed around the activities, and the construction of the facilities phased with them. Dispersing parking areas so they are physically related to activity locations will provide a functional system tied in with an overall traffic plan which minimizes the impact of traffic on the Park's green spaces. Large paved parking lots within the Park in areas removed from activities should be avoided.

The size of parking areas should take into account the visitors who will arrive by other means such as mass transit. A plan should be developed for major events so that visitors can leave vehicles at locations outside the Park and use a shuttle service to reach the area. Depending upon the land uses in Area 4 and the cooperation of occupants, substantial parking capacity may be available there for special events.

DEVELOPMENT STANDARDS FOR AREA 4

If Area 4 is eventually developed for office and/or light industry and warehousing, such development should be carried out in a manner

compatible with current standards of good design practice. Modern industrial park planning stresses physical land use planning to achieve efficiency and compatibility within the development. In addition, management of the development's operation and maintenance should be carried out in a manner that will make the development an attractive asset to the surrounding neighborhood and community.

Certain practices in the existing industrial area in the southern part of Area 4 are undesirable from the standpoint of good land planning and maintenance: the establishment of a commercial recreation complex in the middle of industrial activities, the location of truck and rail loading areas along streets with little provision for screening from vehicular traffic, the exposure of rooftop appurtenances without provision for screening from view, the proximity of rail and vehicular traffic along Wolf Drive because of the spur track crossings, and the apparent lack of regular landscaping maintenance. These shortcomings should be avoided in any future development in the area.

GUIDELINES FOR THE PLANNING AND MANAGEMENT
OF DEVELOPMENT IN THE LIBERTY STATE PARK VICINITY

In its investigation, the Panel has found that the development potential of the study area is highly related to conditions north and south of the study area, and that any development in the study area, including the Park itself, will affect areas outside the study area. As planners, engineers, developers, and real estate generalists, we find it difficult to separate Liberty State Park and its future from the remainder of the Hudson River shoreline and the immediate neighborhood.

It appears that the various local governments and State agencies are currently proceeding with uncoordinated plans and actions in the area, without recognizing the effects those plans and actions will have on one another, without recognizing the mutual benefits possible through coordinated plans and actions, and without recognizing that the future success of each enterprise is tied to the success of the whole. The basic economic revitalization of the region is particularly tied to the waterfront as a whole. The likelihood of capturing what appear to be significant opportunities through waterfront redevelopment may be jeopardized through competing piecemeal and conflicting actions under current institutional arrangements.

The Panel was made aware of strong local attitudes in favor of home rule and local control of land use, and the failure of an earlier attempt to establish a regional planning and development agency. With the basic economic health of the general area at stake, however, and with opportunities for recovery through concerted action, the Panel feels compelled

to recommend that a special planning and development management agency be established to plan and implement a coordinated strategy for the waterfront area extending above and below the Liberty State Park site.

More specifically, we feel that the Liberty State Park Study and Planning Commission should very seriously consider recommending legislation to the Governor for the establishment of a new commission. The new commission's scope would encompass more than the present one; it would use as models the Hackensack Meadowlands Development Commission (recognizing its failures and shortcomings) or the New York State Adirondacks Park Agency, which has been suggested as a model to be used for planning and managing development in the Pinelands area in south and central New Jersey.

Steps should be taken to assure Jersey City and other local jurisdictions that they will not lose tax revenue but will indeed gain from this service, and that their interests will be protected by virtue of their representation on the development commission. The commission members could be appointed, elected, or a combination of both.

The new commission should encompass, at least, a geographic area extending from the Jersey City redevelopment area on the north end to the Port Jersey Marine and Industrial Center on the south. It could conceivably go as far north along the Hudson River as the George Washington Bridge and as far south as Bayonne.

The commission should be empowered to develop a master plan for the combined area, be able to issue bonds or notes, and have the power of eminent domain. It should also be able to adopt codes and standards to

effect the master plan, enter into a contract or contracts with a developer or its own employees, and undertake any development or project improvement it funds that is necessary to reclaim, develop, redevelop, or improve the land within the district.

Other powers which should be considered include:

- recovering by special assessments the cost of improvements and increase of property values attributable to such improvements
- reviewing and regulating plans for any subdivision within the entire district (a design review board approach)
- designating renewal areas and undertaking redevelopment projects therein and
- exercising all authorized powers for public purposes and acquiring any property for public use.

The legislation should also establish a municipal committee composed of the mayors of the cities in the district, or their designated alternates, to provide local input.

In addition to the basic advantages of an areawide approach to waterfront development, the approach could also offer the following advantages:

- It should be more effective (because of its wider geographic reach serving a densely populated area) in attracting funding from both State and federal agencies.
- It would enable more efficient and economical delivery of public service, site development, energy use, transportation, and land use arrangements.
- It would be conducive to the protection of the natural environmental features.
- It should provide a higher quality of living for both the physical environment and services.
- It would enable innovation in design and operation that would not otherwise occur.

- It would ensure a better balance of tax revenues and expenditures for the local government.
- It would provide incentives for private developers to construct well designed projects.

For this area particularly, we feel it is the most effective way to accomplish what the State is seeking to do: that is, to launch Liberty State Park, to encourage development of the surrounding area so it will be compatible with the Park, to generate income to help pay the capital and/or operating costs of the Park, and to create an environment surrounding the Park sufficiently attractive to give the whole area a new image.

We hasten to add that we have observed the Hackensack Meadowlands Development Commission: There have been mistakes made in its operation, but the basic approach is valid. The mistakes can be avoided in applying the concept to the Liberty State Park area.

The crucial question is whether such a commission is the most appropriate tool to ensure that the waterfront area, including Liberty State Park, is planned and developed so as to ensure compatibility of use, minimum destructive competition, and maximum capture of available resources. The alternative is the present institutional structure -- the present Liberty State Park Study and Planning Commission -- and the Panel finds little potential as it currently exists.

Even if Liberty State Park were to achieve some measure of free-standing success, this success would only serve to emphasize the need to plan and develop its deteriorated and incompatible surroundings. Past and

recent history suggests a piecemeal and therefore ineffective response. The lower Hudson is, visually and economically, a single zone. Anything added or taken away affects the whole. Conflicts in design and appearance are inevitable if random development continues or if massive new construction takes place without an overall effort to coordinate the projects. Under present conditions, some of the last remnants of the River's important history, such as the ferry terminals, are likely to be lost without a deliberate program to save them.

Once a commission is established and a master plan approved, developer interest should be solicited. Qualified staff or an outside professional real estate consultant should seek them out. The best qualified developers should be sought through personal contacts, brochures, and appropriate advertising. An office in a central location, equipped with plans, aerial photographs, and models of the proposed development, should be established. The potential developers should be brought to it and exposed to the material and the project in person. However, this marketing effort should not take place until the prerequisites to development are in place. Developers and financiers today are seeking projects that are known quantities.

The Panel feels strongly that until the present image is changed and a viable master plan is in place, developers will not consider projects in the area. When those things are accomplished and a developer is chosen, the land take down can be arranged on a mutually agreeable, phased basis. The actual period will depend on the amount and type of real estate development the master plan calls for. No time period can be estimated now without the knowledge of the plan to be carried out. Assuming, however, that it

will take five years from now to initiate any commercial development, it is safe to say that it will take ten years or more to complete such facilities.

The developer has to have specific ground rules. Once he makes a commitment to proceed, the governing body cannot change those rules in the middle of the development period, except in most unusual circumstances or by mutual agreement. The large-scale projects of the 1960s and early 1970s are a thing of the past. Market and financing uncertainties and cost impacts of changing public policies are far greater problems today than they once were, and developers are reacting by undertaking only smaller projects of short duration. Thus, it is likely that the new commission will have to work with several developers who will take on various parts of the overall development. The new commission must also be aware that the financial feasibility of projects depends increasingly on the manner in which public facilities are financed and the speed with which permit approvals are obtained. Developers, therefore, must work more closely with localities than they have previously.

The situation in the Liberty State Park area is somewhat comparable to a situation in Boston, where 103 acres at the Charlestown Navy Yard were made available as a result of the operation's closing. The U.S.S. Constitution is berthed close by, and the area therefore is nationally prominent, as is the case with Liberty State Park. Boston has proposed a plan which will return the Navy Yard to active economic use by creating new jobs and generating capital investment.



Panel members Taft, Lochmoeller and Griefen during a report preparation session.

The plan is directed toward maximizing the potential for tourism because of the site's historic character. In addition to its unique historic setting, the Navy Yard is strategically located near the heart of Boston's waterfront; it is less than one mile from the center of Boston's central business district, just as Liberty State Park is located close to New York City. A key feature of the redevelopment program is the creation of a waterfront park.

Briefly, the plan calls for a mixed-use development as follows:

- approximately 1,300 housing units
- over 80,000 square feet of retail/commercial space
- a new hotel/conference center
- up to 250,000 square feet of labor-intensive light industry.

The city has received federal grants totaling \$5.4 million from the Economic Development Administration and \$900,000 from the Bureau of Outdoor Recreation to begin site preparation. The Boston City Council has authorized \$2.2 million in city bonds as the city's matching share of the federal funds.

The overall plan will be carried out over a ten-year period. It will involve about \$100 million in total capital investment, more than 80 percent of which will come from private developers and public and semi-public institutions. The remaining capital will be used for site preparation and infrastructure costs. Retained sales in tourist expenditures (parking, hotel, and personal services) are projected to reach nearly \$18 million per year, and the secondary impact on the city and region is

projected at \$13 million per year. Annual tax revenues generated are estimated at \$3.6 million with over \$2 million going to the city and nearly \$1.6 million to the State.

An example of how funds can be generated indirectly to the State on a real estate project is the Faneuil Hall Markets in Boston, developed by the James W. Rouse Company of Columbia, Maryland. In this case, the city owns the real estate and net leases it to the developer for a 99-year term. The project has been so successful that the State is collecting approximately \$2 million per year in sales taxes, and the city is receiving approximately \$250,000 per year in real estate taxes.

The proposed development commission would have superior financing capabilities and other desirable features which are in themselves sufficient reasons to support that concept. Such a commission should also serve as a focal point for opinions regarding the use and development of the Park area. The existence of the proposed commission -- empowered to develop and implement plans for Liberty State Park and its environs -- would serve a very useful function in coordinating the wishes of public officials, community groups, private developers, and special interest groups. It would serve as a clearinghouse for the best thoughts on the precise use of the site. Although the proposed commission would be cast in a definite leadership role, its mandate should be to serve as a forum for diverse points of view.

The essential features of the proposed commission are, then, the following:

- It would have good possibilities for funding construction of a park in whatever form it takes.

- It would serve as a legitimate and stable forum for focusing public attention and opinion.
- It would serve a crucial leadership role in bringing to fruition the development of Liberty State Park and its environs.

There are several important considerations regarding the scope of the proposed commission. The commission should legitimately be concerned with the development of concepts and plans, the design of specific parts of the Park and its surroundings, the financing of the plans, and the actual construction. The commission need not, however, be empowered to operate the Park facilities once they are constructed. This function would be better carried out by the State Department of Environmental Protection, which could augment its experienced and professional staff as necessary to operate the Park. Giving the commission only the responsibility of planning and developing the Park and other properties will allow it to focus on this enormous task. Liberty State Park is unique in New Jersey with respect to the amount of time and money needed, in terms of its location in an urban area, and with regard to the potential interest in its development from the local to national levels. These unique features can be best taken into account by a commission such as we propose.

The proposed commission need not have a mandate to develop or carry out massive plans in a short period of time. Every effort should be made to maintain steady progress in construction in and around the Park, but the commission should understand that capital constraints will probably dictate a lengthy development period. A longer development period will help ensure that needs can be met as they arise. This steady guiding force would, in fact, serve as constant reassurance that the Park and its

environs will continue to develop.

The precise makeup of the commission will ultimately depend either on the Governor of the State of New Jersey, if commissioners are appointed, or on the voters, if they are elected. There should be a definite effort to attract people to serve as commissioners who will represent local and regional as well as national interests. Liberty State Park and the adjacent areas are large enough to fulfill needs at all levels, and the commissioners must be able to balance those needs so that feasible and functional plans are developed.

In fact, the commission would need to balance not only broad interests, but would also be guided and constrained by laws and regulations at all levels of government. In particular, local zoning could provide a legal check on the use to which lands under commission control could be put. Only if the State legislature specifically negates this zoning regulation would the commission be able to operate without regard to it.

The proposed commission must be able to balance all legitimate interests and, in fact, would have a better chance of doing so if its geographic scope were larger than just the proposed Park itself. For example, a commission with a larger scope could apply such sophisticated land use control techniques as "transfer of development rights" (TDR). A recent example of TDR is the case of Grand Central Station in New York City. The owner of the station, the Penn Central Railroad, was given special rights to develop other property it owns as compensation for not being allowed to develop on the site of the historic Grand Central Station.



Panel members present report to Commission members and interested citizens.

In the case of Liberty State Park and its environs, it would be possible for the proposed commission to conserve certain areas by transferring the development rights from the conservation area to another area where development is more desirable. In this manner, legitimate special interests can be served while the primary mission of the proposed commission is carried out. It is more likely that such possibilities will occur if the commission has rather large geographic scope and power.

The proceedings of the existing Liberty State Park Study and Planning Commission have been reasonably public to date. It is expected, and this Panel strongly endorses the idea, that any succeeding commission would undertake a similar process. All citizens should have the opportunity to express their concerns at periodic public hearings or in writing if they desire. At the commission's discretion, it would also be valuable to solicit input and supply information in other forms -- newsletters, workshops, presentation of plans to various groups, encouraging special interest groups to develop plans for areas, and so forth. It would seem logical that the commission would have a professional staff and consultants to bring together information on complex issues; the staff should also be charged with developing methods of soliciting opinions and communicating plans as clearly as possible. Since the development of Liberty State Park is an emotional issue for many people, it cannot be emphasized strongly enough that the proposed commission should seek, as part of its public process, to provide a good understanding of plans to all interested parties. For example, building models so that people can visualize what the Park will look like is often much more useful than plans on paper.

Photographs of similar areas across the nation would be useful, as might visits to similar facilities in the region. In short, there exists the risk that proposals will be misunderstood and therefore rejected, not on their merits but for extraneous reasons. One of the commission's very important functions would therefore be to ensure that all commission proposals for the Park are explained clearly so that their merits can be discussed on a common footing by all concerned.

As a final point, the existence of a commission with a recognized and important concern would in itself open the possibility that special funding sources can be attracted. For example, it is not at all impossible that such a commission could solicit donations from citizens and private foundations across the nation. Indeed, the future commission should consider the possibility that a person be specifically hired for the purpose of seeking out such funds.

In short, the idea of Liberty State Park in connection with the Statue of Liberty and Ellis Island can be important enough to attract nationwide support, interest, and use. At the same time, it can provide a unique opportunity for people living in the vicinity of the Park. The first step is to establish a framework within which this can happen. We encourage you to act boldly and decisively.

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Much of the Institute's work is accomplished through its six Councils, each headed by an Executive Group of distinguished authorities - Recreational Development, Residential, New Communities, Industrial, Commercial and Office Development, and Urban Redevelopment. This alignment has resulted from the realization that more specific information in diversified areas will be needed, and that there are no fractional solutions to urban problems.

This panel service report is one of a series of research publications to further the objectives of the Institute and to make generally available authoritative information to those seeking knowledge in the urban field.