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PUBLIC HEARING

before

ASSEMBLY EDUCATION COMMITTEE

ASSEMBLY BILL 3199

(Designated the "New Jersey Cultural Center Development and Historic Preservation Bond Act" and authorizes issuance of bonds in the amount of \$90 million)

May 19, 1987
Room 341
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Frank J. Gargiulo, Acting Chairman

ALSO PRESENT:

Assemblywoman Maureen B. Ogden
District 22

David J. Rosen
Office of Legislative Services
Aide, Assembly Education Committee

New Jersey State Library

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New Jersey State Legislature
ASSEMBLY EDUCATION COMMITTEE
STATE HOUSE ANNEX, CN-068
TRENTON, NEW JERSEY 08625
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May 6, 1987

NOTICE OF PUBLIC HEARING

on

\$90,000,000 Cultural Center Development
and Historic Preservation Bond Act
(A-3199)

The Assembly Education Committee will hold a public hearing on Tuesday, May 19, 1987 at 2:00 P.M. in Room 341 of the State House Annex, Trenton, New Jersey.

Anyone wishing to testify should contact David J. Rosen, aide to the committee, at (609) 984-6843 and should submit copies of their testimony to the committee on the day of the hearing.

ASSEMBLY, No. 3199
STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 29, 1986

By Assemblywoman OGDEN, Assemblymen GARGIULO and
Frelinghuysen

AN ACT authorizing the creation of a debt of the State of New Jersey by the issuance of bonds of the State in the aggregate principal amount of \$90,000,000.00 for the purpose of financing the construction and development of cultural centers and the restoration, repair or rehabilitation of historic structures and districts in the State; establishing a fund from which grants for those purposes will be issued; establishing a committee to award grants from that fund; providing the ways and means to pay the interest on the debt and also to pay and discharge the principal thereof; providing for the submission of this act to the people at a general election; and making an appropriation.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. This act shall be known and may be cited as the "New Jersey
2 Cultural Center Development and Historic Preservation Bond
3 Act."

1 2. The Legislature finds and declares:

2 a. There is a need to develop cultural centers in our State whose
3 function would be to bring the arts and humanities to the residents
4 of New Jersey and to visiting tourists;

5 b. Cultural centers would provide regional meeting places for
6 the residents of our State to share with one another and residents
7 from other states the varied cultural activities available in New
8 Jersey;

9 c. In addition, there are throughout this State, and in every

10 county thereof, State-owned, county-owned and municipally-owned
11 structures and facilities of historic character which are in need of
12 repair or restoration;

13 d. The preservation of these historic facilities will sustain an
14 important element of our historic heritage which would otherwise
15 be lost;

16 e. A significant number of these historic facilities are located in
17 urban centers, where their preservation and restoration can play
18 an important part in the overall strategy of urban revitalization;

19 f. Accordingly, the purpose of this act is to provide, through the
20 issuance of bonds of the State, the funds necessary to finance
21 cultural center development and historic preservation projects.

1 3. As used in this act, unless the context indicates a different
2 meaning or intent:

3 a. "Bonds" means the bonds authorized to be issued, or issued
4 under this act.

5 b. "Construct" and "construction" mean, in addition to the usual
6 meanings thereof, acts of construction, reconstruction, rehabilita-
7 tion, relocation, demolition, renewal, repair, replacement, exten-
8 sion, improvement and betterment.

9 c. "Cost" means the expenses incurred in connection with: the
10 acquisition by purchase, lease or otherwise, the development and
11 the construction of any project authorized by this act; the acqui-
12 sition by purchase, lease or otherwise, and the development of any
13 real or personal property for use in connection with any project
14 authorized by this act, including any rights or interests therein;
15 the execution of any agreements and franchises deemed by the
16 committee to be necessary or useful and convenient in connection
17 with any project authorized by this act; the procurement of engi-
18 neering, inspection, planning, legal, financial or other professional
19 services, including the services of a bond registrar or an authenti-
20 cating agent; the issuance of bonds, or any interest or discount
21 thereon; the administrative, organizational, operating or other
22 expenses incident to the financing, completing and placing into
23 service of projects authorized by this act; the establishment of a
24 reserve fund or funds for working capital, operating, maintenance
25 or replacement expenses and for the payment or security of prin-
26 ~~cipal or interest on bonds, as the Director of the Division of Bud-~~
27 get and Accounting in the Department of the Treasury may deter-
28 mine; and reimbursement to any fund of the State of moneys which
29 may have been transferred or advanced therefrom to any fund
30 created by this act, or of any moneys which may have been ex-
31 pended therefrom for or in connection with any project authorized
32 by this act.

33 d. "Project" means any work relating to the construction or
34 improvement or development of a cultural center or the repair,
35 restoration, rehabilitation, renovation or improvement of any his-
36 toric property, structure, facility, site or district.

37 e. "Historic" as applied to any property, structure, facility, site
38 or district means any "historic site" within the meaning of the
39 "Municipal Land Use Law," P. L. 1975, c. 291 (C. 40:55D-1 et seq.)
40 or any area site, structure or object approved for inclusion in the
41 New Jersey Register of Historic Places pursuant to P. L. 1970,
42 c. 268 (C. 13:1B-15.128 et seq.).

43 f. "Infrastructure" means any work or undertaking to provide,
44 enlarge, extend, repair, reconstruct or renovate any structures or
45 facilities within a designated area which are necessary or desirable
46 to facilitate the development and efficient use of the area for the
47 benefit of the general public in and about that area.

48 g. "Committee" means the New Jersey Cultural Center Develop-
49 ment and Historic Preservation Committee created by section 4
50 of this act.

1 4. a. There is established in the Department of State "The New
2 Jersey Cultural Center Development and Historic Preservation
3 Committee" to consist of 10 members: the Secretary of State; the
4 Commissioner of the Department of Environmental Protection;
5 the Commissioner of the Department of Community Affairs; the
6 Commissioner of the Department of Commerce and Economic De-
7 velopment; the chairman of the New Jersey State Council on the
8 Arts; the chairman of the Historic Sites Council; and four public
9 members, not more than two of whom shall be of the same political
10 party, to be appointed by the Governor with the advice and con-
11 sent of the Senate. Two shall be chosen for their competence and
12 experience with historic site preservation and related areas and
13 two shall be chosen for their competence and experience in con-
14 nection with the arts and humanities and the development of cul-
15 tural centers. The public members shall serve for a term of four
16 years from the date of appointment and shall serve until their suc-
17 cessors are appointed and qualified. Members of the committee
18 shall serve without compensation but may be reimbursed for neces-
19 sary expenses incurred in the performance of their duties. The
20 Secretary of State shall be the chairman of the committee. Any
21 vacancies in the membership of the committee occurring other than
22 by expiration of term shall be filled in the same manner as the
23 original appointments are made. Any member of the committee
24 may be removed from office by the Governor, for cause, upon notice
25 and opportunity to be heard.

26 b. It shall be the purpose of the committee to:

27 (1) conduct a survey prior to the issuance of any bonds pursu-
28 ant to this act to assess the need for cultural center development
29 as well as the need for historic preservation in the State;

30 (2) determine how these needs will be met, before any bonds are
31 issued;

32 (3) award grants on a competitive basis for cultural center de-
33 velopment based on the following criteria:

34 (a) recommendations which the State Council on the Arts
35 shall submit on all applications for grants for cultural center
36 projects. The committee shall refer all applications for grants
37 for cultural center projects to the council;

38 (b) demonstration by the applicant of high-quality program-
39 ming and administrative capabilities;

40 (c) submission of high quality capital plans that indicate a
41 significant level of local support; and

42 (d) the ability to meet the eligibility standards for cultural
43 center development projects contained in section 5 of this act;

44 (4) award grants for historic preservation projects in the State
45 for the renovation, restoration and rehabilitation of State-owned,
46 county-owned and municipally-owned historic properties and for
47 infrastructure improvements in historic districts established by
48 municipalities, provided that:

49 (a) the committee shall refer all applications for grants for
50 historic preservation projects to the New Jersey Historic Sites
51 Council which shall make recommendations to the committee
52 on the application;

53 (b) the New Jersey Historic Sites Council shall develop
54 criteria for use by the committee in awarding grants for his-
55 toric preservation projects.

56 c. Insofar as possible, the committee shall make use of the
57 employees of the Department of State in carrying out the pro-
58 visions of this act.

1 5. To be eligible for a grant for cultural center development
2 projects from the fund, the board of directors or governing body
3 of the applying organization shall:

4 a. Maintain existing or propose to operate new facilities of suf-
5 ficient State or regional significance. For the purpose of this act,
6 a facility to be of sufficient State or regional significance shall have
7 appropriate and requisite spaces, technical capabilities, and pro-
8 fessional management to present or produce year-round programs,
9 exhibitions and activities of high artistic quality; shall ensure that
10 quality programs from a variety of artistic disciplines that serve

11 broad and diverse regional audiences are presented; and shall have
12 the necessary display or seating capacity, staging, appurtenant
13 production preparation spaces, auxiliary facilities, sound, lighting
14 and other technical aspects, management, marketing and mainte-
15 nance support, and convenient parking, to attract a wide variety
16 of performing groups and to serve New Jersey's citizens on a
17 regional basis;

18 b. Have in place a capital improvement development plan;

19 c. Demonstrate the ability to match the grant requested under
20 the provisions of this act in the following manner:

21 (1) Generate \$1.00 of nonpublic funds for every \$1.00 of
22 grant money sought; and

23 (2) Generate \$1.00 of non-State public funds for every \$0.50
24 of grant money sought.

25 Moneys raised for ongoing projects up to one year prior to the
26 enactment of this act may be eligible for State assistance under
27 the provisions of the above mentioned matching format, but under
28 no circumstances will funds generated prior to that time qualify
29 for a grant under the provisions of this act.

1 6. Grants for cultural center development shall not be made for
2 projects whose costs are less than \$100,000.00. All grants shall be
3 for capital projects. For the purposes of this act, capital projects
4 mean: realty acquisition; building acquisition; building expansion
5 or repair; and repair and replacement of fixtures. Fixtures in-
6 clude, but are not limited to, seating, curtains and lighting.

1 7. Prior to awarding any grants under this act, the committee
2 shall submit to the Legislature for its approval, which approval
3 shall be in the form of the passage of a concurrent resolution, a
4 list of the projects that are to be funded under this act.

1 8. Commencement of the work on any project that is to be funded
2 under the provisions of this act shall begin within two years of the
3 date of the awarding of the grant for the project or the grants
4 that are awarded shall lapse into the fund established pursuant
5 to section 18 of this act.

1 9. Bonds of the State of New Jersey are authorized to be issued
2 in the aggregate principal amount of \$90,000,000.00 for the purpose
3 of making State grants to assist projects of cultural center de-
4 velopment and historic preservation, and to be allocated as follows:

5 a. \$50,000,000.00 for State grants to be awarded on a competitive
6 basis and based on criteria established pursuant to sections 4 and
7 5 for cultural center projects; and

8 b. \$40,000,000.00 for State grants for the cost of restoring, re-
9 pairing, or rehabilitating historic structures and districts in the
10 State.

1 10. The bonds authorized under this act shall be serial bonds,
2 term bonds, or a combination thereof, and shall be known as "Cul-
3 tural Center Development and Historic Preservation Bonds."
4 These bonds shall be issued from time to time as the issuing officials
5 herein named shall determine, and may be issued in coupon form,
6 fully-registered form or book-entry form. These bonds may be
7 made subject to redemption prior to maturity and shall mature
8 and be paid not later than 35 years from the dates of their issuance.

1 11. The Governor, the State Treasurer and the Director of the
2 Division of Budget and Accounting in the Department of the
3 Treasury, or any two of these officials, herein referred to as "the
4 issuing officials," are authorized to carry out the provisions of
5 this act relating to the issuance of bonds, and shall determine all
6 matters in connection therewith, subject to the provisions of this
7 act. If an issuing official is absent from the State or incapable
8 of acting for any reason, the powers and duties of that issuing
9 official shall be exercised and performed by the person authorized
10 by law to act in an official capacity in place of that issuing official.

1 12. Bonds issued in accordance with the provisions of this act
2 shall be direct obligations of the State of New Jersey, and the faith
3 and credit of the State are pledged for the payment of the interest
4 thereon when due and for the payment of the principal thereof at
5 maturity. The principal of and interest on the bonds shall be
6 exempt from taxation by the State or by any county, municipality
7 or other taxing district of the State.

1 13. The bonds shall be signed in the name of the State by means
2 of the manual or facsimile signature of the Governor under the
3 Great Seal of the State, which seal may be by facsimile or by way
4 of any other form of reproduction on the bonds, and attested by
5 the manual or facsimile signature of the Secretary of State, or an
6 assistant Secretary of State, and shall be countersigned by the
7 facsimile signature of the Director of the Division of Budget and
8 Accounting in the Department of the Treasury and may be man-
9 ually authenticated by an authenticating agent or bond registrar,
10 as the issuing officials shall determine. Interest coupons, if any,
11 attached to the bonds shall be signed by the facsimile signature of
12 the director. The bonds may be issued notwithstanding that an
13 ~~issuing official signing them or whose manual or facsimile signa-~~
14 ture appears thereon has ceased to hold office at the time of issu-
15 ance, or at the time of the delivery of the bonds to the purchaser
16 thereof.

1 14. a. The bonds shall recite that they are issued for the purposes
2 set forth in section 9 of this act, that they are issued pursuant to

3 this act, that this act was submitted to the people of the State at
 4 the general election held in the month of November, 1987 and
 5 that this act was approved by a majority of the legally qualified
 6 voters of the State voting thereon at the election. This recital shall
 7 be conclusive evidence of the validity of the bonds and of the
 8 authority of the State to issue them. Any bonds containing this
 9 recital shall, in any suit, action or proceeding involving their
 10 validity, be conclusively deemed to be fully authorized by this act
 11 and to have been issued, sold, executed and delivered in con-
 12 formity herewith and with all other provisions of laws applicable
 13 hereto, and shall be incontestable for any cause.

14 b. The bonds shall be issued in such denominations and in such
 15 form or forms, whether coupon, fully-registered or book-entry and
 16 with or without provisions for the interchangeability thereof, as
 17 may be determined by the issuing officials.

1 15. When the bonds are issued from time to time, the bonds of
 2 each issue shall constitute a separate series to be designated by
 3 the issuing officials. Each series of bonds shall bear such rate or
 4 rates of interest as may be determined by the issuing officials, which
 5 interest shall be payable semiannually; except that the first and
 6 last interest periods may be longer or shorter, in order that inter-
 7 vening semiannual payments may be at convenient dates.

1 16. The bonds shall be issued and sold at such price or prices
 2 and under such terms, conditions and regulations as the issuing
 3 officials may prescribe, after notice of the sale, published at least
 4 once in at least three newspapers published in this State, and at
 5 least once in a publication carrying municipal bond notices and
 6 devoted primarily to financial news, published in this State or in
 7 the city of New York, the first notice to appear at least five days
 8 prior to the day of bidding. The notice of sale may contain a provi-
 9 sion to the effect that any bid in pursuance thereof may be rejected.
 10 In the event of rejection or of failure to receive any acceptable bid,
 11 the issuing officials, at any time within 60 days from the date of
 12 the advertised sale, may sell the bonds at a private sale at such
 13 price or prices and under such terms and conditions as the issuing
 14 officials may prescribe. The issuing officials may sell all or part
 15 of the bonds of any series as issued to any State fund or to the
 16 federal government or any agency thereof, at a private sale, with-
 17 out advertisement.

1 17. Until permanent bonds are prepared, the issuing officials
 2 may issue temporary bonds in such form and with such privileges
 3 as to their registration and exchange for permanent bonds as may
 4 be determined by the issuing officials.

1 18. The proceeds from the sale of the bonds shall be paid to the
2 State Treasurer, to be held thereby in a separate fund, which
3 shall be known as the "Cultural Center Development and Historic
4 Preservation Fund." The proceeds of this fund shall be deposited
5 in such depositories as may be selected by the State Treasurer to
6 the credit of the fund.

1 19. a. The moneys in the "Cultural Center Development and
2 Historic Preservation Fund" are specifically dedicated and shall
3 be applied to the cost of the purposes set forth in section 4 of this
4 act, and all such moneys are appropriated for those purposes, and
5 no such moneys shall be expended for those purposes, except as
6 otherwise authorized in this act, without the specific appropri-
7 tion thereof by the Legislature, but bonds may be issued as herein
8 provided, notwithstanding that the Legislature has not adopted
9 an act making a specific appropriation of any of the moneys.

10 b. At any time prior to the issuance and sale of bonds under this
11 act, the State Treasurer is authorized to transfer from available
12 money in any fund of the treasury of the State to the credit of the
13 "Cultural Center Development and Historic Preservation Fund"
14 such sums as he may deem necessary. The sums so transferred
15 shall be returned to the same fund of the treasury by the State
16 Treasurer from the proceeds of the sale of the first issue of bonds.

17 c. Pending their application to the purposes provided in this act,
18 the moneys in the "Cultural Center Development and Historic
19 Preservation Fund" may be invested and reinvested as are other
20 trust funds in the custody of the State Treasurer, in the manner
21 provided by law. Net earnings received from the investment or
22 deposit of the fund shall be paid into the General Fund.

1 20. If any coupon bond, coupon or registered bond is lost, muti-
2 lated or destroyed, a new bond or coupon shall be executed and
3 delivered of like tenor, in substitution for the lost, mutilated or
4 destroyed bond or coupon, upon the owner furnishing to the issuing
5 officials such evidence satisfactory to them of the loss, mutilation
6 or destruction of the bond or coupon; the ownership thereof; and
7 the security, indemnity and reimbursement for expenses connected
8 therewith, as the issuing officials may require.

1 21. The accrued interest received upon the sale of the bonds shall
2 be applied to the discharge of a like amount of interest upon the
3 ~~bonds when due. Any expense incurred by the issuing officials in~~
4 advertising, engraving, printing, clerical, authenticating, register-
5 ing, legal or other services necessary to carry out the duties im-
6 posed upon them by the provisions of this act shall be paid from
7 the proceeds of the sale of the bonds by the State Treasurer, upon

8 the warrant of the Director of the Division of Budget and Account-
9 ing in the Department of the Treasury, in the same manner as other
10 obligations of the State are paid.

1 22. Bonds of each series issued hereunder shall mature, including
2 any sinking fund redemptions, not later than the 35th year from
3 the date of issue of such series, and in such amounts as shall be
4 determined by the issuing officials. The issuing officials may reserve
5 to the State by appropriate provision in the bonds of any series
6 the power to redeem any of the bonds prior to maturity at such
7 price or prices and upon such terms and conditions as may be
8 provided in the bonds.

1 23. The issuing officials may issue refunding bonds and in an
2 amount not to exceed the amount necessary to effectuate the re-
3 financing of all or any bonds issued pursuant to this act, at any
4 time and from time to time, for the purpose of refinancing any
5 bond or bonds issued pursuant to this act, subject to the following
6 provisions:

7 a. Refunding bonds may be issued at such time prior to the
8 maturity or redemption of the bonds to be refinanced thereby as the
9 issuing officials shall determine; and

10 b. Each series of refunding bonds may be issued in a sufficient
11 amount to pay or to provide for the payment of the principal of the
12 bonds to be refinanced thereby, together with any redemption
13 premium thereon, any interest accrued or to accrue on such bonds
14 to be refinanced to the date of payment of such outstanding bonds,
15 the expense of issuing such refunding bonds and the expenses, if
16 any, of paying such bonds to be refinanced; and

17 c. No refunding bonds shall be issued unless the issuing officials
18 shall first determine that the present value of the aggregate princi-
19 pal of and interest on such refunding bonds is less than the present
20 value of the aggregate principal of and interest on the bonds to be
21 refinanced thereby: provided, for the purposes of this limitation,
22 present value shall be computed using a discount rate equal to the
23 yield of such refunding bonds, and yield shall be computed using an
24 actuarial method based upon a 360-day year with semiannual
25 compounding and upon the price or prices paid to the State by the
26 initial purchasers of such refunding bonds; and

27 d. Any refinancing authorized hereunder may be effected by the
28 sale of the refunding bonds and the application of the proceeds
29 thereof to the immediate payment of the principal of the bonds to be
30 refinanced thereby, together with any redemption premium thereon,
31 any interest accrued or to accrue on such bonds to be refinanced to
32 the date of payment of such bonds, the expenses of issuing the

33 refunding bonds and the expenses, if any, of paying such bonds to
34 be refinanced, or, to the extent not required for such immediate
35 payment, shall be deposited, together with any other moneys legally
36 available therefor, in trust with one or more trustees or escrow
37 agents, which trustees or escrow agents shall be trust companies
38 or national or state banks having powers of a trust company,
39 located either within or without the state, to be applied solely to the
40 payment when due of the principal of, redemption premium, if any,
41 and interest due and to become due on the bonds to be refinanced
42 on or prior to the redemption date or maturity date thereof, as the
43 case may be. Any such proceeds or moneys so held by such trustees
44 or escrow agents may be invested in governmental securities, in-
45 cluding government securities issued or held in book-entry form
46 on the books of the Department of Treasury of the United States;
47 provided, such government securities shall not be subject to
48 redemption prior to their maturity other than at the option of the
49 holder thereof. Except as otherwise provided in this subsection,
50 neither government securities nor moneys so deposited with such
51 trustees or escrow agents shall be withdrawn or used for any
52 purpose other than, and shall be held in trust for, the payment of
53 the principal of, redemption premium, if any, and interest on the
54 bonds to be refinanced thereby; provided that any cash received
55 from such principal or interest payments on such government
56 securities deposited with such trustees or escrow agents, to the
57 extent such cash will not be required at any time for such purpose
58 shall be paid over to such trustees or escrow agents, and to the
59 extent such cash will be required for such purpose at a later date,
60 shall, to the extent practicable and legally permissible, be rein-
61 vested in government securities maturing at times and in amounts
62 sufficient to pay when due the principal of, redemption premium,
63 if any, and interest to become due on the bonds to be refinanced on
64 and prior to such redemption date or maturity date thereof, as
65 the case may be, and interest earned from such reinvestments to
66 the extent not required for the payment of bonds shall be paid
67 over to the State, as received by such trustees or escrow agents.
68 Notwithstanding anything to the contrary contained herein: (1)
69 such trustees or escrow agents shall, if so directed by the issuing
70 officials, apply moneys and deposit with such trustees or escrow
71 agents pursuant to the provisions of this section and redeem or
72 sell government securities so deposited with such trustees or es-
73 crow agents and apply the proceeds thereof to the purchase of
74 the bonds which were refinanced by the deposit with such trustees
75 or escrow agents of such moneys and government securities and

76 immediately thereafter cancel all such bonds so purchased or the
77 purchase of different government securities; provided, however,
78 that the moneys and government securities on deposit with such
79 trustees or escrow agents after such purchase and cancellation of
80 such outstanding bonds or such purchase of different government
81 securities shall be sufficient to pay when due the principal of, re-
82 demption premium, if any, and interest on all other bonds in re-
83 spect of which such moneys and government securities were de-
84 posited with such trustees or escrow agents on or prior to the
85 redemption date or maturity date thereof, as the case may be;
86 and (2) in the event that on any date, as a result of any purchases
87 and cancellations of such bonds or any purchases of different gov-
88 ernment securities as provided in this subsection, the total amount
89 of moneys and government securities remaining on deposit with
90 such trustees or escrow agents is in excess of the total amount
91 which would have been required to be deposited with such trustees
92 or escrow agents on such date in respect of the remaining bonds
93 for which such deposit was made in order to pay when the prin-
94 cipal of, redemption premium, if any, and interest on such re-
95 maining bonds, such trustees or escrow agents, shall, if so directed
96 by the issuing officials, pay the amount of such excess to the State.
97 Any amounts held by the State Treasurer in a separate fund or
98 funds for the payment of the principal of and interest on bonds to
99 be refinanced, as provided herein, shall, if so directed by the issuing
100 officials, be transferred by the State Treasurer for deposit with one
101 or more trustese or escrow agents as provided herein to be applied
102 to the payment when due of the principal of, redemption premium,
103 if any, and interest to become due on such bonds to be refinanced,
104 as provided in this section, or be applied by the State Treasurer
105 to the payment when due of the principal of and interest on re-
106 funding bonds issued hereunder to refinance such bonds. The State
107 Treasurer is authorized to enter into any contract or contracts
108 with one or more trust companies or national or state banks, as
109 provided herein, to act as trustees or escrow agents as provided
110 herein, subject to the approval of the issuing officials.

111 e. Notwithstanding the provisions of section 16 thereof, any
112 series of refunding bonds issued pursuant to this section shall ma-
113 ture at any time or times not later than five years following the
114 latest scheduled final maturity date, determined without regard to
115 any redemptions prior thereto, of any of the bonds to be refunded
116 thereby, and in no event later than 35 years following the date of
117 issuance of such series of refunding bonds, and such refunding
118 bonds may be sold at public or private sale at such prices and under

119 such terms, conditions and regulations as the issuing officials may
120 prescribe. Refunding bonds shall be entitled to all the benefits of
121 this act and subject to all its limitations except as to sale provisions
122 and to the extent therein otherwise expressly provided.

123 f. Upon the decision by the issuing officials to issue refunding
124 bonds pursuant to this section, and prior to the sale of those bonds,
125 the issuing officials shall transmit to the Joint Budget Oversight
126 Committee a report that a decision has been made, reciting the
127 basis on which the decision was made, including an estimate of the
128 debt service savings to be achieved and the calculations upon which
129 the issuing officials relied when making the decision to issue re-
130 funding bonds. The report shall also disclose the intent of the issu-
131 ing officials to issue and sell the refunding bonds at public or pri-
132 vate sale and the reasons therefore.

133 g. The Joint Budget Oversight Committee shall have authority
134 to approve or disapprove the sales of refunding bonds as included
135 in each report submitted in accordance with subsection f. of this
136 section. The subcommittee shall notify the issuing officials in
137 writing of the approval or disapproval as expeditiously as pos-
138 sible.

139 h. No refunding bonds shall be issued unless the report has been
140 submitted to and approved by the Joint Budget Oversight Com-
141 mittee as set forth in subsection g. of this section.

142 i. Within 30 days after the sale of the refunding bonds, the issu-
143 ing officials shall notify the Joint Budget Oversight Committee
144 of the result of that sale, including the prices and terms, conditions
145 and regulations concerning the refunding bonds, the actual amount
146 of debt service savings to be realized as a result of the sale of re-
147 funding bonds, and the intended use of the proceeds from the sale
148 of those bonds.

149 j. The Joint Budget Oversight Committee shall, however, review
150 all information and reports submitted in accordance with this sec-
151 tion and may, on its own initiative, make observations and recom-
152 mendations to the issuing officials, or to the Legislature, or both,
153 as it deems appropriate.

1 24. Any bond or bonds issued hereunder shall no longer be
2 deemed to be outstanding, shall no longer constitute a direct obli-
3 ~~gation of the State of New Jersey and the faith and credit of the~~
4 State, shall no longer be pledged to the payment of the principal
5 of and interest on such bonds, and such bonds shall be secured
6 solely by and payable solely from moneys and government secur-
7 ities deposited in trust with one or more trustees or escrow agents,
8 which trustees and escrow agents shall be trust companies or

9 national or state banks having powers of a trust company, located
10 either within or without the State, as provided herein, whenever
11 there shall be deposited in trust with such trustees or escrow agents
12 as provided herein either moneys or government securities, in-
13 cluding government securities issued or held in book-entry form
14 on the books of the Department of Treasury of the United States,
15 the principal of and interest on which when due will provide money
16 which, together with the moneys, if any, deposited with such trust-
17 tees or escrow agents at the same time, shall be sufficient to pay
18 when due the principal of, redemption premium, if any, and interest
19 due and to become due on such bonds on or prior to the redemption
20 date or maturity date thereof, as the case may be; provided, such
21 government securities shall not be subject to redemption prior to
22 their maturity other than at the option of the holder thereof. The
23 State of New Jersey hereby covenants with the holders of any bonds
24 for which government securities or moneys shall have been de-
25 posited in trust with such trustees or escrow agents as provided in
26 this section that, except as otherwise provided in this section,
27 neither the government securities nor moneys so deposited with
28 such trustees or escrow agents shall be withdrawn or used by the
29 State for any purpose other than, and shall be held in trust for, the
30 payment of the principal of, redemption premium, if any, and inter-
31 est to become due on such bonds; provided that any cash received
32 from such principal or interest payments on such government se-
33 curities deposited with such trustees or escrow agents, to the extent
34 such cash will not be required at any time for such purpose, shall be
35 paid over to the State as received by such trustees or escrow agents
36 free and clear of any trust, lien, pledge or assignment securing such
37 bonds; and to the extent such cash will be required for such purpose
38 at a later date, shall, to the extent practicable and legally permis-
39 sible, be reinvested in government securities maturing at times and
40 in amounts sufficient to pay when due the principal of, redemption
41 premium, if any, and interest to become due on such bonds on and
42 prior to such redemption date or maturity date thereof, as the case
43 may be, and interest earned from such reinvestments shall be paid
44 over to the State as received by such trustees or escrow agents,
45 free and clear of any trust, lien or pledge securing such bonds.
46 Notwithstanding anything to the contrary contained herein: a. such
47 trustees or escrow agents shall, if so directed by the issuing officials,
48 apply moneys on deposit with such trustees or escrow agents pur-
49 suant to the provisions of this section and redeem or sell govern-
50 ment securities so deposited with such trustees or escrow agents
51 and apply the proceeds thereof to (1) the purchase of the bonds

52 which were refinanced by the deposit with such trustees or escrow
53 agents of such moneys and government securities and immediately
54 thereafter cancel all bonds so purchased, or (2) the purchase of
55 different government securities; provided, however, that the
56 moneys and government securities on deposit with such trustees
57 or escrow agents after such purchase and cancellation of such bonds
58 or such purchase of different government securities shall be suf-
59 ficient to pay when due the principal of, redemption premium, if
60 any, and interest on all other bonds in respect of which such moneys
61 and government securities were deposited with such trustees or
62 escrow agents on or prior to the redemption date or maturity date
63 thereof, as the case may be; and b. in the event that on any date, as
64 a result of any purchases and cancellations of bonds or any pur-
65 chases of different government securities as provided in this
66 sentence, the total amount of moneys and government securities
67 remaining on deposit with such trustees or escrow agents is in
68 excess of the total amount which would have been required to be
69 deposited with such trustees or escrow agents on such date in
70 respect of the remaining bonds for which such deposit was made
71 in order to pay when due the principal of, redemption premium,
72 if any, and interest on such remaining bonds, such trustees or
73 escrow agents shall, if so directed by the issuing officials, pay the
74 amount of such excess to the State free and clear of any trust, lien,
75 pledge or assignment securing such refunding bond.

1 25. Refunding bonds issued pursuant to section 23 of this act
2 may be consolidated with bonds issued pursuant to section 10 of
3 this act or with bonds issued pursuant to any other act for pur-
4 poses of sale.

1 26. To provide funds to meet the interest and principal payment
2 requirements for the bonds issued under this act and outstanding,
3 there is appropriated in the order following:

4 a. Revenue derived from the collection of taxes under the "Sales
5 and Use Tax Act," P. L. 1966, c. 30 (C. 54:32B-1 et seq.), or so
6 much thereof as may be required; and

7 b. If, at any time, funds necessary to meet the interest and
8 principal payments on outstanding bonds issued under this act,
9 are insufficient or not available, there shall be assessed, levied and
10 ~~collected annually in each of the municipalities of the counties of~~
11 this State, a tax on the real and personal property upon which
12 municipal taxes are or shall be assessed, levied and collected,
13 sufficient to meet the interest on all outstanding bonds issued here-
14 under and on the bonds proposed to be issued under this act in
15 the calendar year in which the tax is to be raised and for the
16 payment of bonds falling due in the year following the year for

17 which the tax is levied. The tax shall be assessed, levied and col-
18 lected in the same manner and at the same time as other taxes upon
19 real and personal property. The governing body of each municipi-
20 pality shall pay to the treasurer of the county in which the mu-
21 nicipality is located, on or before December 15 in each year, the
22 amount of tax herein directed to be assessed and levied, and the
23 county treasurer shall pay the amount of the tax to the State
24 Treasurer on or before December 20 in each year.

25 If on or before December 31 in any year, the issuing officials,
26 by resolution, determine that there are moneys in the General Fund
27 beyond the needs of the State, sufficient to meet the principal of
28 bonds falling due and all interest payable in the ensuing calendar
29 year, the issuing officials shall file the resolution in the office of the
30 State Treasurer, whereupon the State Treasurer shall transfer
31 the moneys to a separate fund to be designated by him, and shall
32 pay the principal and interest out of the fund as the same shall
33 become due and payable, and the other sources of payment of the
34 principal and interest provided for in this section shall not then be
35 available, and the receipts for the year from the tax specified in
36 subsection a. of this section shall be considered part of the General
37 Fund, available for general purposes.

1 27. Should the State Treasurer, by December 31 of any year,
2 deem it necessary, because of the insufficiency of funds collected
3 from the sources of revenues as provided in this act, to meet the
4 interest and principal payments for the year after the ensuing
5 year, then the State Treasurer shall certify to the Director of the
6 Division of Budget and Accounting in the Department of the
7 Treasury the amount necessary to be raised by taxation for those
8 purposes, which is to be assessed, levied and collected for and in
9 the ensuing calendar year. The director shall, on or before March
10 1 following, calculate the amount in dollars to be assessed, levied
11 and collected in each county as herein set forth. This calculation
12 shall be based upon the corrected assessed valuation of each county
13 for the year preceding the year in which the tax is to be assessed,
14 but the tax shall be assessed, levied and collected upon the assessed
15 valuation of the year in which the tax is assessed and levied. The
16 director shall certify the amount to the county board of taxation
17 and the treasurer of each county. The county board of taxation
18 shall include the proper amount in the current tax levy of the
19 several taxing districts of the county in proportion to the ratable
20 as ascertained for the current year.

1 28. For the purpose of complying with the provisions of the
2 State Constitution, this act shall be submitted to the people at the

3 general election to be held in the month of November, 1987. To
 4 inform the people of the contents of this act, it shall be the duty
 5 of the Secretary of State, after this section takes effect, and at least
 6 15 days prior to the election, to publish this act in at least 10 news-
 7 papers published in this State and to notify the clerk of each county
 8 of this State of the passage of this act; and the clerks respectively,
 9 in accordance with the instructions of the Secretary of State, shall
 10 have each of the ballots printed as follows:

11 If you approve of the act entitled below, make a cross (×),
 12 plus (+), or check (√) mark in the square opposite the word
 13 "Yes."

14 If you disapprove of the act entitled below, make a cross (×),
 15 plus (+), or check (√) mark in the square opposite the word "No."

16 If the voting machines are used, a vote of "Yes" or "No" shall be
 17 equivalent to these markings respectively.

	Yes.	<p style="text-align: center;">CULTURAL CENTER DEVELOPMENT AND HISTORIC PRESERVATION BOND ISSUE</p> <p>Shall the "New Jersey Cultural Center Development and Historic Preservation Act," which authorizes the State to issue bonds in the amount of \$90,000,000.00 in order to provide \$50,000,000.00 for State grants to be issued on a competitive basis for cultural center projects and \$40,000,000.00 for State grants for the cost of restoring, repairing or rehabilitating historic structures and districts in the State, be approved?</p>
	No.	<p style="text-align: center;">INTERPRETIVE STATEMENT</p> <p>Approval of this act will authorize the sale of \$90,000,000.00 in general obligation bonds of the State, with the proceeds to be allocated as follows: \$50,000,000.00 for State grants to be issued on a competitive basis for cultural center projects and \$40,000,000.00 for State grants for the cost of restoring, repairing or rehabilitating historic structures and districts in the State. Awards will be granted under this act by a committee established for that purpose.</p>

18 The fact and date of the approval or passage of this act, as the
 19 case may be, may be inserted in the appropriate place after the

20 title in the ballot. No other requirements of law as to notice or
21 procedure, except as herein provided, need be adhered to.

22 The votes cast for and against the approval of this act, by ballot
23 or voting machine, shall be counted and the result thereof returned
24 by the election officer, and a canvass of the election had in the same
25 manner as is provided for by law in the case of the election of a
26 Governor, and the approval or disapproval of this act so deter-
27 mined shall be declared in the same manner as the result of an
28 election for a Governor, and if there is a majority of all votes cast
29 for and against it at the election in favor of the approval of this
30 act, then all the provisions of this act not made effective thereto-
31 fore shall take effect forthwith.

1 29. There is hereby appropriated the sum of \$5,000.00 to the
2 Department of State for expenses in connection with the publica-
3 tion of notice pursuant to section 28.

1 30. Sections 28 and 29 of this act shall take effect immediately
2 and the remainder of the act shall take effect as provided in sec-
3 tion 28.

STATEMENT

This bill authorizes the issuance of bonds, after approval by the voters, for the purpose of developing cultural centers and restoring, repairing or rehabilitating historic structures and districts in the State. This bill establishes a committee to award grants under this act.

ARTS AND CULTURE

Designated the "New Jersey Cultural Center Development and Historic Preservation Bond Act" and authorizes issuance of bonds in the amount of \$90 million.

New Jersey State Library

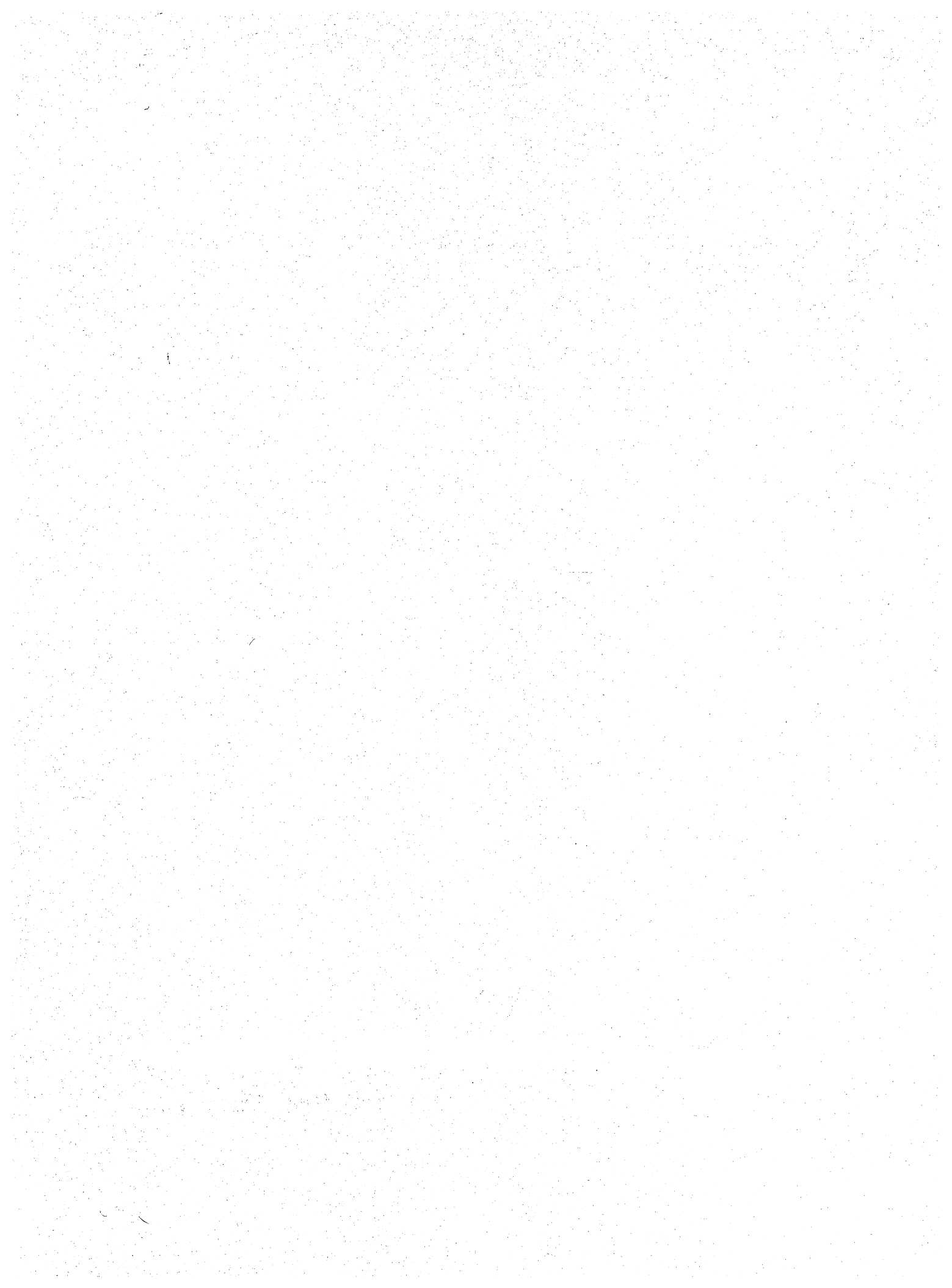


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* * * * *

ASSEMBLYMAN FRANK J. GARGIULO (Acting Chairman): I think we should get started. First of all, I want to welcome everyone here today. It is a nice afternoon in Trenton. We are here to hold a hearing on Assembly Bill 3199; we are not going to vote on it. There is not a quorum present. Although we had some intentions of doing it yesterday, that has been changed. So what we will do is take the testimony today. Hopefully the sponsor will be here, and we will be able to get her comments on it.

With that, I will ask Dave to read the statement on the bill.

MR. ROSEN (Committee Aide): Assembly Bill 3199, designated the "New Jersey Cultural Center Development and Historic Preservation Bond Act," would authorize the issuance of bonds in the amount of \$90 million. Of this total, \$50 million would be awarded on a competitive basis for cultural center projects and \$40 million would be awarded as grants for the cost of restoring, repairing, or rehabilitating historic structures and districts in the State.

The bill establishes a 10-member New Jersey Cultural Center Development and Historic Preservation Committee in the Department of State. The Committee will be composed of the Secretary of State, the Commissioners of the Departments of Environmental Protection, Community Affairs, and Commerce and Economic Development, the Chairmen of the New Jersey State Council on the Arts and the Historic Sites Council, and four public members. The Committee will conduct a survey to assess the need for cultural development centers and historic preservation, determine how these needs will be met, and award grants based on the criteria established by the bill.

Bonds authorized by this bill cannot be issued unless the voters of the State approve the bond issue at the November 3, 1987 general election.

ASSEMBLYMAN GARGIULO: Okay, thank you. With that, we will start the testimony with the list I have. We will go through this list first, and then anyone else who wishes to testify at the end may do so also. Ruth Silberman?

R U T H S I L B E R M A N: Harvey Cohen will be presenting for me.

ASSEMBLYMAN GARGIULO: Okay. That is the Morristown Performing Arts Center, right?

H A R V E Y C O H E N: Yes, sir. Good afternoon, gentlemen. My name is Harvey Cohen. I am Vice President of the Morristown Performing Arts Corporation, a nonprofit, tax exempt arts presentory organization based in Morristown. I am here to voice support for Assembly Bill 3199, providing \$90 million in bonds for the construction and repair of regional arts facilities.

I am pleased to be accompanied here today by Mayor David Manahan of Morristown, Jacques Duvosin, partner of the architectural firm of Duvosin and Johnson of Morristown, and Ruth Silberman, President and Trustee of the Morristown Performing Arts Center and Friday Evening Club. I am President and owner of Score (phonetic spelling) Electric Supply Company of Morristown, in Morris County, and Parsippany, New Jersey, and a member of the Economic Development Committee of the Morris County Chamber of Commerce.

The organization I represent is pleased to support Governor Kean in his arts initiative. There is no doubt that the Governor, by initiating a study on the need for one or more facilities in the State for the performing arts, has done a great service to the arts by raising the art awareness of the people of New Jersey. We eagerly await the outcome of the Governor's study and passage of A-3199.

The Friday Evening Club of Morristown dates from the year 1900, when it was formed to present musical entertainment and lectures by thought leaders of the times. The club became

inactive after 42 years. A small group of public spirited citizens revived the club in 1977 as a sponsor of an annual concert series. The series has been a success. Next fall, we enter into our eleventh season, with such artists as Marvin Hamlisch, the Vienna Choir Boys, Victor Borge, and the New Jersey Ballet.

We are partially funded by the New Jersey State Council on the Arts, both with respect to our sponsorship of the New Jersey Arts Group and a program providing transportation and free admission to the concerts for senior citizens, the handicapped, and students.

The Friday Evening Club presents its concerts in school auditoriums, due to the lack of permanent, adequate facilities. In the fall of 1985, we announced a desire to build a permanent facility on a site in downtown Morristown. The site is a city-owned parking lot endorsed conceptually by the Town Council. A feasibility study as to this site was conducted a year ago by the firm of Carl Shaver of New York, theatrical consultants. The Shaver firm found that a case could be made for support of the Morristown Performing Arts Center. This firm has since been engaged by the State of New Jersey to conduct a new statewide survey of a number of potential sites.

The Friday Evening Club's proposing a permanent performing arts center initiated the establishment of a separate corporation to construct and manage such facilities. The Morristown Performing Arts Center Corporation raised the funds for the Carl Shaver study, with support from area corporations and interested individuals. The corporation is now planning two fund raising events in July and November, to go ahead with the engineering studies and other preliminary looking ahead to completion of the plan.

I would like now to call on Mayor Manahan for his thoughts on locating a performing arts center in Morristown.

Mr. Duvosin will follow with a brief presentation on the plans he and his firm have developed for the center. I would also like to mention the presence of Ruth Silberman, who is a founder of the reestablished Friday Evening Club and the Morristown Performing Arts Center.

Thank you for your attention. Now, the Mayor.

M A Y O R D A V I D V. M A N A H A N: Good afternoon. I am David Manahan. I am the Mayor of Morristown, which is the county seat of Morris County. I am here to endorse Assembly Bill 3199, and also the concept of regional performing art centers.

Morristown is a town of about 17,000 people, and an area of three square miles, but our daytime population grows to about 80,000 people with the influx of workers into the area. We have a minority population of about 30% -- blacks and Hispanics. We have a senior citizen population of between 25% and 30%. So, although we are small as far as area goes, we have all of the qualifications, or qualities, of an urban area.

I think it would be good to have an arts center located in Morristown. We have the Morristown Airport; we have public transportation -- the railroad; we have buses; we have several full-scale hotels. We are at the intersection of Routes 287 and 24, not too far from 80, and not too far from 78. The town is in the process of adding a 1000-car garage, and in the process of putting a \$23 million addition on to the waste water facility in the town.

So, for those reasons I would wish that you and the other people on the Committee would look favorably on Morristown as the site for the performing arts center.

Thank you.

ASSEMBLYMAN GARGIULO: Thank you, Mayor. Are you aware of the fact that this bill sets up a Committee to award those funds? We do not award the funds.

MAYOR MANAHAN: I know. Hopefully they will read your minutes, though.

ASSEMBLYMAN GARGIULO: I hear you. Okay, great.

J A C Q U E S D U V O S I N: I am Jacques Duvosin, partner in the architectural firm of Duvosin and Johnson in Morristown.

I would like to make a presentation on the actual facility and site, to show you-- Let me preface my remarks by saying that I am a past Trustee of the Morris Area Arts Council, a Trustee of the Friday Evening Club, as well as an architect, and I have been behind -- as a labor of love, if you will -- the efforts to put a performing arts center in the Morristown area, where we think one belongs and, indeed, that has been supported in the past by statewide investigations and reviews.

The site we picked -- that I recommended in downtown Morristown -- was a site owned by the town. It is currently a parking lot managed by the Morristown Parking Authority. I will get out, first of all, a larger scale map, for those who may not be as familiar with Morristown. (witness arranges map on easel) Morristown lies in the heart of Morris County, and has at the center of the central business district a village green. Just off that site is a post office; behind the post office is the parking lot I was talking about.

In larger scale, this represents the town green, the post office, and the site behind the post office, which is approximately a four-acre site, including street access to that site. It is an ideal location because it is a downtown site. The symbiotic relationship that exists between the arts and the business district in any community is very important. Indeed, the National Endowment for the Arts always gives preferential treatment on grants to downtown installations, as opposed to installations placed elsewhere out of town, because of this relationship to the business district.

Economic development will be stressed later by Ruth, but this is a very important factor. It keeps a community viable around the clock. It is not a community that has its

sidewalks rolled up at five o'clock. It keeps the restaurants going, and the shops, after hours, and so forth and so on.

What we have proposed, in concert with the investigation or study done by Carl Shaver, is a 2000-seat performance hall, with a 600-seat recital hall adjacent to it. The two will have assessor facilities for education for the local schools, senior citizens, and minority groups. There will be art galleries and other such installations that will be an adjunct of the arts center. The arts center does not intend to become a commercial enterprise which would compete with neighboring commercial establishments. It would be solely confined to the parking lot, and would be self-sufficient, and, as I say, would not compete with the other establishments.

As architects and planners, we have done a feasibility study of the site. We have retained the use of an internationally known theater design consultant, to establish the fact that this site is, indeed, a viable site that will sustain such an installation, and that has been determined.

The post office is the only building of significance on that block. It is on the historic register. Jim Courtier's office is here in the building on the second floor. We used that architectural style of -- the classical architectural style of that building as a springboard for the arts center, to relate it to Morristown, and gave it a theatrical flair, if you will.

I said I would be brief. If you have any questions, I would be delighted to answer them.

ASSEMBLYMAN GARGIULO: I don't have any questions. Maureen, do you have any questions? (addressing Assemblywoman Maureen Ogden) Excuse me, this is Assemblywoman Ogden, who is the sponsor of the bill.

Maureen, do you have a statement to make, or do you want to just ask some questions as we go along?

ASSEMBLYWOMAN OGDEN: Maybe I will say something afterwards.

ASSEMBLYMAN GARGIULO: Okay.

MR. DUVOSIN: I would like to add that the nice thing about this site, is that the theater would be located on the inner portion of the block, leaving the perimeter of the block for more appropriate uses, such as retail shops, second-story residences, and the like. In this rendering, it has a higher profile, because currently the street side is not fully developed, but it offers a good view of the theater from Spring Street, which would have an access door at the side of the theater.

ASSEMBLYMAN GARGIULO: What do you use right now?

MR. DUVOSIN: I'm sorry?

ASSEMBLYMAN GARGIULO: What facility do you have right now?

MR. DUVOSIN: Well, right now the problem we are faced with in the Morris County area is, there are no facilities adequate to present the kind of performers we would like to present. We have to go to the local high schools. Right now, we are going to Morris Knolls High School in Denville. None of the stages are adequate for a variety of the performances, such as ballet, symphonic works, and the like. For instance, the Berlin Symphony, when it comes to New York, likes to send splinter groups out into the general area, so they can maximize their performances in a given area before moving on. Right now, we have no facility to really hold anything larger than an octet from such a symphony. However, if we had a larger stage, we could have the whole symphony, for instance.

ASSEMBLYMAN GARGIULO: What would it cost for something like that?

MR. DUVOSIN: Thirty million dollars, for the 2000-seat theater and the 600-seat theater. It could be more, depending on how you want to gild the lilly, but we are not creating a Lincoln Center here, nor are we competing with anything else in the State. We are talking about a regional center.

ASSEMBLYMAN OGDEN: Have you raised any money so far?

MR. DUVOSIN: Not any substantial sums. We are just getting under way.

ASSEMBLYWOMAN OGDEN: Is this a project that has the support of all the Morris County groups?

MR. DUVOSIN: Yes, it is. A couple of the Freeholders have assisted us; indeed, have sat on the Friday Evening Club as well.

Harvey, I turn it back to you.

MR. COHEN: Just some brief statistics for the area. We are pleased to have 25% of the Fortune 500 either corporate or regional facilities in New Jersey. We are basically speaking to some of the business leadership. It is their feeling that we are in dire need of a cultural center to fulfill the needs of the corporate executives or junior executives who are being transferred to our State from outlying areas. A common question during their personnel interviews is, "Where is your cultural center?" and, unfortunately, we have to reply, "In New York City." The average annual household income in Morris County is \$45,000. We feel that can help to support the area we are looking for.

In a study conducted by the New York/New Jersey Port Authority, they found that for every dollar put into the cultural community, they got a three-dollar return to the area. We have a high concentration of people. Morris County itself has 400,000 people. Morristown, the site of our hopeful facility, has a night population of 17,000, a day population of 80,000. I bring these figures to your attention solely because we feel that the area can support the nighttime inroads we would have, either traffic-wise or population-wise, which is very, very important. It will maintain a 24-hour usage of the facilities in the area, without creating any kind of traffic or population hazards.

Is there anything we could answer any further? (no response) Ruth, do you have the brochures we can leave with the Committee for their review, please? (speaking to Ms. Silberman) This is last season's brochure. It will give you the background of the quality of the entertainment we have been sponsoring on a yearly basis. I would like you to review that. The next year's season will be on the same basis quality-wise. (hands material to Chairman)

ASSEMBLYMAN GARGIULO: Thank you. The next speaker will be Roger McDonough.

R O G E R M C D O N O U G H: Mr. Chairman, Madam Sponsor: I am Roger McDonough. I now represent the New Jersey Library Association, but for a few years -- 28 to be exact -- I was State Librarian. In that capacity, I was involved in many of the things under consideration here today. I was involved in historic sites; I was Secretary of the Tercentenary Commission, which, for five years, planned, and eventually carried on, the activities in 1964 celebrating New Jersey's 300th birthday.

It is worth noting that as a result of that Commission's expressed recommendation, the New Jersey Historical Commission came into being, and has done such wonderful, distinguished work under Bernie Bush's direction ever since.

I also had the distinct pleasure of serving as Secretary of the Commission to Study the Arts in New Jersey, which, in its report in 1966 -- just a couple of years after the Tercentenary Report -- recommended the creation of the permanent State Council on the Arts.

So, these are my credentials. I will begin by saying that my original purpose in coming here today was to endorse and support the basic purpose of A-3199, Assemblywoman Ogden's bill to authorize the issuance of bonds to develop cultural centers throughout the State, and to repair and restore our historic buildings and districts. I do so most heartedly. I will not try to duplicate the eloquent testimony of John

Cunningham, Dick McCormick, Connie Greiff, and others who testified at the other recent hearing. I would like to point out, however, that the advances we have made in strengthening our performing arts have not been matched by the development of adequate facilities, in which our growing army of native artists and composers can exhibit or perform in adequate surroundings.

The bond issue would move us a giant step forward toward the goal of making New Jersey a cultural mecca, instead of the cultural desert that Mason Gross called it almost 30 years ago. I took the time this morning to dig into Dr. Gross' speech on the subject, and I would like to quote, if I may, what he said about our lacks, as he saw them. This was delivered in 1959: "If New Jersey is educationally impoverished and in debt, she is culturally almost bankrupt. I may be ignoring some local activities, but, in general, it seems true to say that there is no legitimate theater, and even very little popular theater, except for the summer reruns. There is absolutely no opera and no ballet. Most of the efforts at symphonic music fall far short of professional standards, and there is no effort at publicly supported chamber music. Exhibitions of first quality of painting or sculpture are at a minimum, and even local shows designed to encourage genuine, developing talent are few and far between."

Well, that was a pretty sweeping indictment, and he made Governor Meyner so mad-- Well, he made a lot of people either mad, angry, or hurt, including all the groups in the State who were working hard to develop local art exhibitions, talent, and so forth. I have to say, looking back, that Dr. Gross, in my opinion, did us a great favor. He said, "The emperor has no clothes on," and a heck of a lot of people decided to do something about it. It is very encouraging to look back and see what has happened. However, I won't take the time to spell out the things that have happened -- the Cultural

Center, the Garden State Arts Center, and so on. So, I think we owe Mason a great debt.

Similarly, the restoration of State and local historic sites, a matter long overdue, will encourage pride and lifelong interest in New Jersey's history among all of our citizens, but most particularly among school children, whose visits to such places as the Battle Monument and the Old Barracks in Trenton, at an impressionable age, helps to engender a lasting pride and affection in the State's proud heritage. I might add that those of us who like to show off our historic places to visitors from out of State, will no longer feel embarrassed at the run-down, poorly maintained properties that we have put up with for all too many years.

My second reason for appearing here this afternoon -- and this is a recent development -- is to support Assemblyman Robert Smith's proposal for a bond issue to finance the construction, renovation, and repair of our public library buildings. The history of the public library movement in New Jersey that I have been working on, makes very clear that outside help is needed by most communities when a public library building is contemplated. The swift response to Andrew Carnegie's offer of help at the turn of the century demonstrates this clearly. Twenty-nine municipalities accepted the offer immediately, and built 29 main libraries and five branches. All but a handful are in use today -- 80-plus years later.

Those of us who have had to administer a Carnegie building could wish that they had fallen down at times, because they are doggoned difficult to renovate or do anything with. They are built for the ages, and it is pretty difficult to change them.

It was not until 1964 that a similar building spurt occurred when funds became available under Title II of the Federal Library Services and Construction Act. Seventy-five

municipalities received modest grants under a matching arrangement administered by the State Library. When the Federal grants terminated in the 1970s, and when applications continued to be received for construction assistance, Assemblyman Charles Reid, of Paramus, introduced legislation in 1973 to fund library construction. Better than \$90,000 was appropriated in Fiscal Year 1973-1974. No further moneys were made available until 1983-1984, when \$680,000 was appropriated. Another gap in appropriations followed until Fiscal Year 1986, when \$1 million was appropriated, a sum that is continued in the Fiscal Year 1987 budget.

In all, the spotty funding pattern has produced just under \$3 million since the program was initiated in 1973. I point out that at a recent meeting with some of my colleagues from other states, a lady from Georgia told me they are spending \$17 million on public library construction in Georgia in the current fiscal year.

New Jersey's need is great. The average age of public library buildings is over 40 years, and more than 30% are over 50 years old. More than 100 libraries need renovation to make them accessible to the aged, the infirm, and the handicapped. It is estimated that New Jersey needs to construct new public library space totaling 1,300,000 square feet, to take care of population growth, building obsolescence, and increased library use. Clearly, the present level of assistance, at \$1 million a year, is wholly inadequate for the task ahead. Library construction costs now approximate almost \$100 per square foot, and it is apparent that little substantial progress can be made unless a bond issue is authorized, and approved by the voters.

Assemblyman Smith has suggested that the proposal for a library construction bond issue be merged with A-3199, the bill under consideration today. The New Jersey Library Association strongly endorses this recommendation.

Let me give just a few examples of why the linkage between libraries and cultural affairs is a natural and ongoing one. The Monmouth County Library, for example, has, for many years, been famous for its concerts of both classical and jazz music, as well as its lecture series. Now, in its new headquarters building, it will have a proper facility in which to present its outstanding programs. I notice that the Composers Guild of New Jersey's spring-summer program will present some of its offerings in the Ocean County Library in Toms River, and the Stafford Library in Manahawkin.

There is nothing new about this. Back before World War II, the New Brunswick Public Library, which I then headed, provided a home for the New Brunswick Arts Center, and regularly arranged exhibits of paintings and photographs by excellent local artists. Now the library, with the enthusiastic support of Senator Lynch -- Mayor Lynch -- is planning an addition, with the help of some Johnson and Johnson real estate dealing funds, to the 1903 Carnegie building, which will contain a meeting room suitable for concerts by small ensembles, as well as art exhibits. Just down the street, on Livingston Avenue, the former State Theater will be converted into a Regional Center for the Performing Arts.

It is exciting and gratifying to witness these developments, which are symptomatic of many of the things that I have either dreamed about or which are going on throughout the State. I think that Mason Gross, were he alive today, would enthusiastically endorse and support the bond issue proposal for the arts, historic sites, and libraries.

I trust that this Committee will approve Assemblywoman Ogden's bill, including the proposed amendment, and will release it for what I hope will be prompt action by the General Assembly.

Thank you for permitting me to appear before you this afternoon.

ASSEMBLYMAN GARGIULO: Assemblywoman, do you have any questions?

ASSEMBLYWOMAN OGDEN: Yes. Thanks for your kind words, Roger. In terms of including the libraries, you know, I don't know what the answer is at this point, because I haven't had a chance to speak directly with Senator Lynch.

Where does the \$30 million figure come from?

MR. McDONOUGH: From estimates developed by the State Library. They have a backlog of requests now on file. Their estimate is that it would take more than \$30 million, by far, to take care of New Jersey's demonstrated needs. Barbara Weaver has the--

ASSEMBLYWOMAN OGDEN: She has this all documented?

MR. McDONOUGH: Oh, yes.

ASSEMBLYWOMAN OGDEN: You know, the first part of the bill provides for matching funds for the cultural centers. One of the amendments -- and, again, I have not been able to get in touch with Senator Lynch about this -- I think would be appropriate in terms of the historic projects, would also be for matching funds. How would you feel about that for the libraries?

MR. McDONOUGH: Well, as I understand it, the proposal in the instance you are citing is for 50/50 matching, and we have no problem with that at all, because we are asking municipalities to match only at a 20% level. So, no problem.

ASSEMBLYWOMAN OGDEN: Where do the capital funds come from currently -- for the libraries -- from municipal bond issues and county issues?

MR. McDONOUGH: I can't answer about where the local funds come from. They are from an appropriation, I think, in most instances. I just don't know any more than that. We have \$1 million in State funds, which are being distributed under very careful monitoring, and with an advisory group overseeing it.

ASSEMBLYWOMAN OGDEN: I know with our local library, when we built it a number of years ago, we had a local bond issue to do that. I just wondered if that is the--

MR. McDONOUGH: Did you get any State funds, or Federal funds, or don't you remember?

ASSEMBLYWOMAN OGDEN: I don't know whether we did or not, but I know -- and this goes back maybe 15 years -- we came up with our own million and a half, or whatever it was at that point. I just wonder whether that is a typical pattern for municipalities or regional libraries. You know, with the lack of funding -- an issue you are trying to address -- where is the money coming from right now?

MR. McDONOUGH: Barbara Weaver is away, and couldn't be here this afternoon. She would have to answer that question. All I can tell you from my own experience is, when I was administering the Federal funds back in the mid-'60s and early '70s, we would offer a paltry sum, like \$50,000, and a town like Bergenfield would go out and raise \$650,000 somehow to get that crumby little \$50,000, if I may say so. It was a marvelously stimulating kind of incentive grant arrangement.

ASSEMBLYWOMAN OGDEN: So, then, that is something you would support -- the matching funds?

MR. McDONOUGH: Oh, yes, yes. I might make one other suggestion. When David was reading the list of individuals who comprise the -- shall we say the governing body to administer the program -- if the library construction amendment is approved, then I would think perhaps the bill might be amended to include the Commissioner of Education, or his designated representative.

ASSEMBLYWOMAN OGDEN: Before Senator Lynch initiated this -- last fall, I think it was -- had you considered having a bond issue of your own, in terms of the needs of the library?

MR. McDONOUGH: We had talked about it, you know, in the New Jersey Library Association, but it wasn't Senator Lynch

who proposed this so much, as Bob Smith, who, frustrated because he couldn't get the money locally to build a much-needed addition to the Piscataway Public Library, suggested it.

ASSEMBLYWOMAN OGDEN: That is the genesis.

MR. McDONOUGH: Oh, yes. No, I give Bob full credit. We were timid, and he said, "Come on, let's do it."

ASSEMBLYMAN GARGIULO: Are you finished, Assemblywoman?

ASSEMBLYWOMAN OGDEN: Yes.

ASSEMBLYMAN GARGIULO: No more questions, Mr. McDonough. Thank you.

MR. McDONOUGH: Thank you.

ASSEMBLYMAN GARGIULO: Katharine Shuler, Executive Director, Preservation New Jersey? Good afternoon.

ASSEMBLYWOMAN OGDEN: Do you want me to say something now, or, I can do it anytime?

ASSEMBLYMAN GARGIULO: I think it would be appropriate now.

ASSEMBLYWOMAN OGDEN: Yeah, okay. I will just make a few brief comments as to why I told Senator Lynch I would like to be the sponsor of this particular bond issue in the Assembly.

You know, we routinely vote for different bond issues, basically dealing with infrastructure, it seems to me. It is either roads or bridges or water supply -- I remember the \$350 million bond issue in '81 for that -- or sewerage treatment, or something of that sort. What we are talking about, in all of these instances, is really rather a mechanistic infrastructure or plant for the State of New Jersey.

This particular bond issue would be, I believe, a first, although I think it is still in that overall infrastructure concept. It is really the cultural infrastructure we are talking about here.

~~This morning, as I looked at the front page of The~~
Star-Ledger and saw that the head of the Endowment was praising

New Jersey for the tremendous support we are giving the arts, you know, I concur, and say, "It's wonderful." We are all excited about it, and it has been largely thanks to the initiative of the Governor -- his leadership -- the Arts Council, the Secretary of State, the Assistant Secretary of State, and many other people who are here in this room, that this has been possible.

But, as I said, several years ago when I introduced my Cultural Capital Improvement Fund, it is wonderful that we have all of these programs, but we also have to have suitable places in which to offer them. I feel that has been the missing part of the puzzle all along, that the infrastructure, the actual buildings are in a very sad state of disrepair. This is clearly true for the cultural buildings, and for the historic buildings, the situation is even sadder. We all read the article that was in "New Jersey Monthly," which Tom Dunkle wrote, and, along the lines of what you were saying earlier, Roger, what he said was that we are on the verge of committing historic suicide by the way we are letting these buildings disintegrate and fall down.

So, this bill is really in line with infrastructure, as I said earlier, but it is our cultural infrastructure. While, of course, our roads and bridges, pipes, etc. are important, I think when we come right down to it, we all feel that these buildings representing our cultural and historic heritage are really equally important and, in many cases, more important.

So, this is what we would be dealing with. In terms of the funding, we do have some discrepancies in the way the bill has been put together, because it was kind of an amalgamation of two different efforts. The first part is the part that I am completely familiar with because, as I said, I was the sponsor of it several years ago -- the Cultural Capital Improvement Fund, which provided \$50 million on a matching-fund

basis for regional cultural centers -- regional cultural centers that had their own capital improvement programs, that had the necessary professional administration, that had the marketing and the audiences, and were really set up to deal, in a very competent way with raising money and spending it appropriately.

This type of structure -- and, once more, I have to talk to Senator Lynch about this to make sure we are both going in the same direction -- I feel would be appropriate to the historic part of it -- the \$40 million. So, one of the changes I would like to see is the matching funds. A second change that I think also needs to be made is one that appears to be supported by the Administration; that is, to have funding administered by the New Jersey Historic Trust.

A third possibility is maybe a small revolving loan fund for those groups -- nonprofit groups -- that have just come into being, as a reaction to a planning board saying a building should be torn down, the bulldozer practically being there, and not having an opportunity to set up the fund raising that really needs to be done, because of it being an emergency situation. Whether something like that is needed for the cultural groups as well, I don't know. But this is something that needs to be worked out, and we certainly are going to do it between this public hearing and when we have the next hearing before the Committee and the bill is voted out.

Let me see, I think there was one other issue I wanted to deal with. Was there something else, Jim, that we were-- It seems to me there was one other thing in my mind. (Assemblywoman Ogden consults with Jim Harkness, Deputy Counsel, Assembly Majority Staff)

Even though it would be a first for the State to be doing this, and there are those who say, "Well, cultural programs should be supported by the private sector," what we would be doing here is encouraging support by the private

sector, but clearly with our historic fabric in such a state of disrepair, with such need in terms of the cultural centers, we just can't wait until the private group totally picks up the tab on it, and I don't know if that ever would be possible. So, this is why I think it is necessary.

Another issue beyond that is, before my Committee have come a number of bills put in by legislators who are concerned for a particular project in their district, either \$50,000 for a house, or \$250,000 for a site, and what we are doing there is responding on a very ad hoc basis, but not in a way by which we are setting standards and applying appropriate criteria. I feel very strongly that by using this bond issue, and approaching it in a methodical way and in a fair way, the State would actually be spending its money much more wisely than what we are doing now. I don't know that we could say what we are doing now is a cultural pork barrel. I never like to say that about any cultural funding. However, this, to me, is the way we can administer our money most wisely and, in addition, stimulate the private sector, because we would be having the matching funds as well.

So, if there are particular issues on this, rather than general support, that people have questions about, I did just want to outline some of the issues which are still up in the air now, and which Senator Lynch and I have to get together and discuss. It just wouldn't be right for me to go ahead with this. It was his initiative, and I am going to, you know, be deferring to him on exactly what he would like to do on this.

Just one kind of an addendum here is-- Jim Harkness has pointed out to me that in the historic part, we do not have the criteria set forth the way we do for the cultural -- for the grants. That is something that is going to have to be added. Another area which apparently has also been left out in terms of the historic, is the private, nonprofit organizations. It is only dealing with public organizations at

this point. You know, to me that is a need that has to be met. So, those are two more points that we will be dealing with in the amendments.

In terms of what I have mentioned as to the changes that are going to be made, if anyone, in their testimony, wants to speak pro or con on those, I would appreciate that as well.

ASSEMBLYMAN GARGIULO: Thank you, Maureen.

KATHARINE E. SHULER: I will speak pro.

ASSEMBLYMAN GARGIULO: Is it Shuler? Is that the way you pronounce it?

MS. SHULER: Yes. My name is Katharine Shuler. I am Executive Director of Preservation New Jersey. I would like to applaud the sponsor's bill to allocate funding to cultural centers and to historic preservation.

As a representative of Preservation, New Jersey, I am speaking for the constituency of New Jersey's only statewide, nonprofit historic preservation organization. The members of our organization include municipal and county governments and local governments and agencies, local landmark and environmental commissions, architectural, planning, and law firms, historical organizations, schools, colleges, universities, museums, libraries, and individuals, of course. These groups are very vocal to us about their needs, and about the need for support of preservation in New Jersey. So, that is one of the reasons I am here to address you, because I hear every day, over the telephone and by letter, about the needs out there.

Also, I am here because of a number of things that have just happened recently in the State of New Jersey, and Assemblywoman Ogden has referred to some of these. First of all-- I will just mention four things briefly. First of all are the activities of the State Planning Commission. In constituting this body, we are now looking, in the State of New Jersey, to try to come up with a coordinated look at planning

in our State, and to try to make sure that we are all going in the same direction. You should take note of the fact that the State Planning Commission has amended their goal statement to include the importance of protecting historic resources. They will be trying to address that in the Statewide Development and Redevelopment Plan.

The second thing is the preparation and distribution of something called the Heritage Assets Study, which is going to be looking at all of the resources of historical organizations and historical activities in the State of New Jersey, so that we can quantify exactly what is out there.

The third issue is a legislative forum which my organization just held this past weekend, along with the Office of New Jersey Heritage and Rutgers Department of Urban Planning. We tried to identify the support needed for historic preservation, and tried to look at legislative initiatives needed. Among the things we talked about were updates to the Municipal Land Use Law, additional amendments, commitment to tourism in our State, a need for other legislative initiatives, such as transfer of development rights and, finally, the issue of funding.

Finally, the last issue, which a number of people have referred to already, is the hearing that was held on April 27, before the Assembly Energy and Natural Resources Committee and the Subcommittee on Government Operations. Just to remind those of you who weren't there, there were a couple of things that came out of that hearing. First of all was a need for a comprehensive examination of history and historic preservation in the State, and a comprehensive approach. Secondly was a need to coordinate all the departments in the State so that we are all heading in the same direction as far as preservation is concerned.

The next thing was a need to identify and document our historic resources and, also, a need to protect those

resources. This is something that the Municipal Land Use Law is forcing on municipalities now.

Next was a need to revitalize our historic downtowns and, also, equally important, to provide funding for our State Historic Preservation Program. And, finally, a need for additional legislative supports, and for promotion of tourism. Last, but not least, was the need for grants and loans to support the acquisition, repair, and restoration of historic sites.

PNJ supports the funding for historic preservation included in A-3199 as a part of the State's overall attention to historic preservation. We feel it is critical that the need for this kind of funding should get beyond any jurisdictional considerations, and we should get on with it.

I would like to suggest a couple of things which actually, at this point in time, would second some of the things that Assemblywoman Ogden has already spoken about. A-3199, as it is currently written, includes funding for the repair and restoration of municipal-, State-, and county-owned sites and we, of course, would like to include the acquisition, repair, and restoration of private, nonprofit-owned sites. We feel it is very important that this be added to the bill.

Also, we have talked a bit about the interdepartmental review committee that is going to be involved with looking at grant applications and with dispensing grant funds. This emphasizes, I think, the need for a coordinated approach to preservation within our State government. However, I think it is very important that the oversight of historic preservation projects be under the auspices of the State Historic Preservation Officer in DEP. This is referred to in the historic trust, the Historic Sites Council being involved in this process, as well.

~~It is essential that the professional staff at the~~
Office of New Jersey Heritage be involved in this process,

because they have the responsibility for statewide preservation planning and for State and National Register resource protection. They must be a part of this grant review process. We suggest that the language in this regard be strengthened in the bill.

In addition, there are two other modifications. The first is that applicants for cultural center grants are required to go through a fairly vigorous process of requiring that they show a plan, show objectives, and show some ability to handle the funding. We suggest that applicants for historic preservation grants also be required to have a plan, and that they should show compliance with some sort of requirement set up by DEP, such as survey and planning having been done, demonstrating preservation advocacy, having gone through some means of local protection through master planner ordinance updates.

The final item is something that has also been referred to. We feel this should definitely be a situation where matching grants are available, and that we should take the lead of the cultural center portion of the bill and go for 50/50 matching grants.

Finally, I just want to make you aware that a number of other states have passed bond issues to do similar kinds of activities involved in the preservation of historic resources. I would like to just mention a few. The first is Maine. Maine, in 1985, passed a \$2 million bond issue, which is available for bricks and mortar funding. It is a 50/50 matching type situation, and it is only for nonprofits. It is administered by the Maine Historic Preservation Commission.

In Rhode Island, a \$2 million bond issue, which sets up a revolving loan fund for rehabilitation, was passed in 1985, and that also was administered by the Rhode Island Historic Preservation Commission. And, of course, most of you are familiar with the fact that New York has just recently

passed a \$1.45 billion bond issue, called the "Environmental Quality Bond Act," which has \$250 million for land acquisition, for parks, and historic preservation matching grants. That is available for National Register, State Register, and nonprofit-owned sites.

We urge you to give your support to this bill, and to the amendments which are being discussed. There is a pressing need for a strong statewide mandate for the protection of our historic resources, and we look to you to recognize the importance of the treasures, and to allow for their protection and maintenance.

Thank you.

ASSEMBLYWOMAN OGDEN: Kitty, what is your thought about possibly a small amount going to a revolving fund?

MS. SHULER: I think that is something we are very interested in as well. That was discussed, I know, at the hearing on April 27.

ASSEMBLYWOMAN OGDEN: Yes.

MS. SHULER: That has definitely been a very successful means of providing funding in other states.

ASSEMBLYWOMAN OGDEN: Particularly for emergencies.

MS. SHULER: Definitely. That is another possibility, I think.

ASSEMBLYWOMAN OGDEN: Something that has come up, which has also come up on another bill of mine, is the question with the new tax act, public dollars being used, particularly through bond issues, in connection with any kind of a private group, even though it is a nonprofit private group. Have you been involved with that at all? Do you have any feelings on that?

MS. SHULER: I haven't heard that there are problems. I know that in the New York statute it specifically allocates funds to private nonprofits, but I haven't heard of anything. I can certainly check and see if the National Trust, for

example, has any data on that kind of situation. You are referring to some sort of a problem because of private funding?

ASSEMBLYWOMAN OGDEN: The tax exempt status, and because private, even though they are nonprofit, would be involved with public moneys. There are questions being raised by the lawyers about the legality of it. I think it could go either way, but at the moment they are raising questions, so I just wondered if that was something you had dealt with.

MS. SHULER: I am not aware of problems, but I do know -- as I mentioned in my testimony -- that a number of the bond issues that have been passed are allocating funds to private nonprofits, and some of them -- the one specifically in Rhode Island, for example-- All of the funding is going to private nonprofits.

ASSEMBLYWOMAN OGDEN: One last question: In connection with the money for the cultural centers, a really definitive study was done documenting the need for, you know, a whole lot more than \$50 million. I think it was closer to \$250 million. When David Schwartz had his bill in, he had set forth the rationale for \$50 million, too, I think it was, instead of \$40 million there. I know Union County, for instance, said that they have some 6000 sites which they think are worthy of preserving.

Do you have any idea of how all of this translates into the whole State, as to what sort of need \$40 million addresses?

MS. SHULER: I don't have numbers. I do know that, for example, Middlesex County came up with some figures based on requests they had received. They were actually able to come up with the amount of money that would have been required based on requests within a period of a year. Probably Nancy Zerbe, who is here from the Office of New Jersey Heritage, may have some data on that. I do know that Bergen County, Union County, Middlesex County, and Monmouth County might have some figures

readily at hand, and we could probably extrapolate for some of the other areas. I know my phone certainly rings off the hook for requests for these kinds of funds, but I don't have figures off the top of my head.

ASSEMBLYWOMAN OGDEN: Thank you.

ASSEMBLYMAN GARGIULO: Thank you, Katharine. Al Felzenberg, Assistant Secretary of State.

A L V I N S. F E L Z E N B E R G: Thank you, Mr. Chairman. Before speaking in favor of this legislation, I have something to tell Mrs. Ogden. I am very happy that you enjoyed the article on Frank Hodsoll today, but the article did not mention that when Frank was talking to the grantmakers yesterday, he singled out a few individuals who have made a tremendous difference in the cultural landscape of New Jersey. Of course, he began with the Governor, but second only to the Governor, he went out of his way to single out Mrs. Ogden, not only because of this bill and other efforts Mrs. Ogen has made on behalf of the arts in New Jersey, but also because of her commitment to the arts and education movement. He made some reference to the Task Force that is being set up through your auspices. I thought you should know that. He asked me to give you his best.

I support this bill, wholeheartedly, Mr. Chairman. As has been indicated by other witnesses, the capital needs of our cultural institutions are tremendous. We have a number of facilities that are in terrible disarray and disrepair. Many are collapsing in front of us.

I have with me the Director of the New Jersey Symphony, John Hyer, who is sitting in the back, who has reminded us many times that his must be the only performing arts organization in the world that has been rained out indoors. He has brought before other committees, photographs of piano legs that have gone through stages, and things of that kind. We think this is a modest attempt to deal with the capital problems of our institutions.

I would rather take questions than repeat the comments that have been made by the witnesses. Mrs. Ogden did ask if we had any proposals that might strengthen the bill. There is, indeed, one. I have no problem with the Historic Trust administering preservation funds under DEP. I would say that if the functions were separated-- On page 3, paragraph 4, where you talk about the establishment of the New Jersey Cultural Center Development and Historic Preservation Committee-- As long as the sponsor of the bill wishes to allow the Trust in DEP to deal with those issues, I see no reason for this Committee. I would rather see it amended and have the Arts Council decide the capital needs of the arts institutions.

One thing that has been pointed out by other witnesses is, the Arts Council does excel in its ability to get panels together -- panels of excellence in their various disciplines. This is how we operate as it is, and it would not be that difficult to have our own panel.

We set this up because this was an attempt by the two sponsors to join two very important needs in a very important bond issue. I should also say that the integrity of this bond issue would be that once it is posted, we will need an opportunity to allow the voters to judge its merits. It would be very nice to see the historical community and the arts community working hand in hand. Many of our cultural halls are rather old, and some of them are even on the National Register and the State Register, so it would be nice to see the two form a coalition on behalf of two causes that have really been in need of funds.

I would say, as a cautionary note, the State of New Jersey owns and operates, itself, no cultural centers, so it is very easy for the Arts Council to be a neutral arbiter among the people who come in. With DEP, what this would create-- I think for the first time, there would be a large enough grant fund to allow non-State owners of historic sites to apply for

New Jersey State Library

money. I think that is one of the beautiful things about this bill.

It would also require, I think, some help for State institutions, and I think in putting such a panel together, I would be very hopeful that State-owned facilities do not necessarily have to judge their own case; that they would have to be held to the same standards by which those who apply to the State would be judged. I think this could be worked out with the two sponsors.

When I finish, perhaps John would like to reiterate-- I asked the symphony to be here because, unlike so many other of the groups we fund that have their own home and necessarily have their own critical needs, the Symphony owns no facility. It travels to all facilities. It has performed in the best and the worst; the worst of the very best, and the best of the very worst. I think the Symphony could talk about what impact this bill would have for those audiences. We are also going to require those audiences to help to pass this bond issue, as we take this case to the people, and I think the Symphony would have a good sense of where that is.

So, in closing, I reiterate the support of the Department of State for this bill, with the amendment I have proposed and the others which Mrs. Ogden has proposed. I would be happy to answer any questions you may have.

ASSEMBLYWOMAN OGDEN: Do you know what additional funding would be necessary to administer these funds through the Council?

MR. FELZENBERG: Yes, ma'am. I would hope we could allow in the legislation part of this money to generate some staff support. We are going to be assessing a number of economic factors. We are going to have a number of new applications coming in. I would like to see, perhaps, one or two people added to the Arts Council to administer that, and maybe a third one for secretarial backup. Those would be the

only costs of administering it. Most of the people who own these facilities are already applying to the Arts Council for one grant or the other, so we indeed know them, and the files are indeed extensive. But we do need some people to work with the bankers and the architects and the others who would be on this panel, to really do the work. It is a different kind of a competitive process.

I should also say that the beauty of this bill, which is why I think of all of the spending bills it is probably the most cautious and prudent the Legislature could ever post, is that matching requirement, is that planning requirement, is the requirement to have people set priorities. I don't pretend to say that this bill or any other bill will save every concert hall we have, and I would be the last to say that it would also, perhaps, save every historic building in need of help. But, it would force the State to set its priorities in order, and deal with them one by one. That is how you begin any monumental task, and this is going to be monumental. This is just the first step, but I think it is required, and I support that aspect.

ASSEMBLYWOMAN OGDEN: I don't know whether with a bond issue there is normally "X" percentage for administration. Do you know that, Jim? (addressing Mr. Harkness) (no response)

MR. FELZENBERG: I think it would be helpful if it were written in, or if there were a provision made in the bill, so it will be understood that that is the intent.

ASSEMBLYWOMAN OGDEN: Whether it should be "X" number of dollars, or percentages?

MR. FELZENBERG: Well, with the grants budget we have for the Arts Council, there is indeed a percentage of the cultural projects that has to go for staff. But, often problems inure, during bad economic times, about staff positions -- getting them filled, getting them obtained. Bumping rights and other things have come up. So, maybe it

would be helpful, if this is a bond issue to be administered for the life of the funds, that there be at least some people to administer it. I think we would need three -- at least two; one or two people to handle the grants process, and then some secretarial help.

Now, those three salaries would probably come to \$70,000 or \$80,000, plus fringes -- something of that kind. Or, a percentage could be done. In future periods of economic decline -- God forbid, but the business cycle does run its way -- I would not like to see this part of this across-the-board, because I don't want to see State moneys in this not be spent. I would like to know that I had some of the people to spend it, and get on with the work.

One thing we know about capital needs is that the costs do not go down. So, it is going to take a while to get these bonds issued and sold, and the costs are going to be mounting. I would not like the lack of personnel to affect it, so it would be helpful to have it in there.

ASSEMBLYWOMAN OGDEN: Maybe that is a question we need to ask some others about, whether it should be actual dollars or a percentage. It is usually a percentage.

MR. FELZENBERG: Yes, it is usually a percentage. I should say that, although they are not with us today, when Mrs. Ogden introduced the \$50 million capital needs bill a couple of years ago, the Building Trades Union Council was here -- Charlie Marciante -- and he testified on behalf of the American Federation of Labor. They very much saw this as part of our growing interest in construction and jobs in the State. They saw this as a jobs bill, too. I think we can count on them, as well as the business community, to work for passage of this. The electrical workers were down. They have a particular expertise. We have some of the best carpenters in the world living right in this State, and working with the architects who, I suspect, would have an interest, too.

I think we can put together a very broad-based coalition to show, again, that this is not a spending bill per se; this is a very well-thought-out, cautious fiscal way to generate three times the amount of the bonds themselves. So, just for the arts, that would be \$150 million in spending. If you put a matching requirement in for the preservation aspects, it would probably be another \$100,000 right there.

So, I think we would have a broad-based coalition behind this bill.

ASSEMBLYMAN GARGIULO: Now, along with the sponsor of the bill, I haven't heard discussed-- The amount of money we are asking for in this particular piece of legislation is quite substantial, but it doesn't meet the overall needs. If you put all of them together, I am sure it would be in the hundreds of millions of dollars. However, how would you suggest that this money be appropriated so that all of the counties get a share of it, and that it doesn't go to one or two counties -- favorite counties -- and not to some which don't have--

MR. FELZENBERG: I think this was originally in Mrs. Ogden's first bill. I am trying to find it here. There was a requirement that it be spread around the State. I can't find it.

ASSEMBLYWOMAN OGDEN: That was in there.

MR. FELZENBERG: We can put it back. I remember it was in there.

ASSEMBLYWOMAN OGDEN: We do have one thing in here, Frank, that the Legislature passes a concurrent resolution before the grants are actually awarded.

MR. ROSEN: The list of grants to be--

ASSEMBLYMAN GARGIULO: I know, okay.

ASSEMBLYWOMAN OGDEN: But I believe the issue you are raising, we actually had in here in terms--

MR. FELZENBERG: It was in the initial bill.

ASSEMBLYWOMAN OGDEN: --of geographic representation.

MR. FELZENBERG: There is also another bill that we certainly would--

ASSEMBLYWOMAN OGDEN: Maybe that is another amendment we should put in.

MR. FELZENBERG: We'll try to find the last bill and put it in.

ASSEMBLYMAN GARGIULO: You may have trouble getting support for it if you don't.

MR. FELZENBERG: No, it was raised at the time. It was indicated that certain counties had three or four facilities right now, and certain counties didn't have any, and how were we going to see to it that the entire population shared in the benefits of whatever was spent. You are absolutely right. It was in there.

Now, since then, the Legislature did pass Senator Lynch's bill, which required the Arts Council to designate regional arts centers. We hoped at that time, once that was passed, depending upon the money coming with this bill, that the eight, or six, or whatever they were, regional arts centers that were designated, if they did their homework, would be able to apply, and that would see that it was spread out. Now we have this bill without any money behind it, but we are designating. So, that's something.

But, an amendment here-- You could indeed say that no more than two projects in any county were eligible, or that the money had to be spent throughout the State -- throughout the regions.

I should tell you, Mr. Chairman, that we have 21 counties, and I don't purport to say that we would, or should, have 21 regional arts centers. There is going to have to be some teamwork, and that would be helpful. It would force a lot of communities to get together.

ASSEMBLYMAN GARGIULO: I am worried about Hudson County, where I come from, because I think the fellow who wrote

the book about the cultural desert was referring to Hudson County--

MR. FELZENBERG: Well, I don't think so.

ASSEMBLYMAN GARGIULO: --when he wanted us to take a different direction.

MR. FELZENBERG: There are a couple of things about your county that could be very helpful, which I hope you can help us with. I am not even asking for money now. This summer, the Metropolitan Opera is going to be coming to Hudson County, for free -- to the people of that county, at Liberty State Park. The Arts Council, for the first time in its history, has tried its hand at -- I won't say being a presenter. We don't necessarily generate any art, but we have asked six of our theaters to perform a complete summer season at Liberty State Park. They are going to be there; they are going to be free to the people of Hudson County. We also have a number of Arts in the Parks Programs at Liberty State Park anyway. Hudson is a real jewel, and in many ways it has gotten the short shrift, not only from -- I don't think Mason Gross had you in mind -- not only from that book, but from stand-up comics. Hudson is changing.

ASSEMBLYMAN GARGIULO: Absolutely.

MR. FELZENBERG: Its people have always supported the arts, and its legislators have been very generous to us.

ASSEMBLYMAN GARGIULO: I am truly glad to hear that.

MR. FELZENBERG: In fact, I find it hard to imagine any bill passing that didn't have something in it for Hudson County. Hudson has its ways, just remember.

MR. FELZENBERG: I wonder -- it may be out of order for me -- but John did want to go on record. He doesn't have any testimony, but he is in the back, and he is the user of all of these halls. At some point today, perhaps he could interject his thoughts.

ASSEMBLYMAN GARGIULO: Why don't we let him come up right now. Okay, John.

MR. FELZENBERG: All right. John?

J O H N L. H Y E R: Thank you, Mr. Chairman.

ASSEMBLYMAN GARGIULO: Please just state your name for the record.

MR. HYER: Sure. I am John L. Hyer, Executive Director of the New Jersey Symphony, and also President of Art Pride, which is interested in this sort of thing.

Yes, I am delighted to testify in support of this legislation. My musicians would have my head if I did otherwise, and so would the stagehands, because we are working in conditions which, quite frankly, are life threatening, in some cases. You may recall in the paper, that a young lady from the orchestra fell down an elevator shaft. That should be impossible, I would think, in this day and age. Fortunately, she was a very thin, light girl, and the fall only smashed the bones in her feet. She survived the fall, and she is going to be all right.

But, this has happened more than once. I think that unless we do something immediately, we could be in for some rather bad disasters. I have been trying to keep this kind of under the cover just here in the State of New Jersey, but I am telling you, it is a very, very potentially dangerous situation, where a lot of people could get hurt if the wrong things just happen to conspire together.

The other thing I would like to say is, Assemblywoman Ogden put it absolutely to the point. We are spending a great deal of taxpayers' money on the arts in this State, and we should, because New Jersey is an important part of this entire Northeast Corridor, and the people of this State should be able to take advantage of these kinds of artistic endeavors like anybody else. But, to spend the money on programs, and ignore the physical needs, is the wrong way to go. I am not saying we should have less money for programming, not at all. But the time has come, with the support for programming in very good shape, for us to address the facility problem.

The other thing I would say is, in several cases, the facilities where the New Jersey Symphony plays just barely escape the point where you can't fix them. The Trenton War Memorial just put on a new roof, but it is going to cost a half a million, maybe a million, to replace what did not need to be replaced. I am talking about the ornate plaster. So, it is costing us a tremendous amount of money because of the delay in the repair and renovation of these facilities. I think eventually they will be repaired. There is just too much interest out there in them not to do it.

The Symphony Hall is another case in point. It is an enormous building. It has had tremendous water damage, and it continues to have water damage. How deeply the problem goes, I don't know, but I wouldn't be a bit surprised if the same thing won't happen in Symphony Hall that happened in the John Harms Englewood Plaza. One morning we arrived to find that the entire wall had fallen in on the seats. What if there had been an audience, and we had played an extra loud piece of music? They would have been killed.

The situation is grave, and it has been grave since I have been here, which is about seven years, and it gets worse by the month. All you need is one enormous rainstorm. The curtain, and that sort of thing, when there is a lot of water-- Some of these halls are going to suffer greatly.

So, I encourage the passage of this bill. I think it will be met enthusiastically by the voters. I know it will be met enthusiastically by the labor unions, the stagehands, the carpenters, the electricians. Many of them have to work in these conditions.

I would be glad to answer any questions. Basically, we live in these halls.

ASSEMBLYMAN GARGIULO: Thank you. Maureen, is there anything you want to say?

ASSEMBLYWOMAN OGDEN: No, thank you.

MR. HYER: Thank you.

MR. FELZENBERG: I thank you all for your time.

ASSEMBLYMAN GARGIULO: Is there anyone else who would like to testify?

N A N C Y L. Z E R B E: I would. I am Nancy Zerbe from DEP.

ASSEMBLYMAN GARGIULO: Please come up, Nancy.

MS. ZERBE: Hello. I am Nancy Zerbe, Administrator of DEP's Office of New Jersey Heritage.

ASSEMBLYMAN GARGIULO: Did you get that? (speaking to Hearing Reporter)

HEARING REPORTER: I did, thank you.

MS. ZERBE: The Office of New Jersey Heritage is a New Jersey State historic preservation office. First, I would like to commend and support the efforts to allocate money both for cultural centers and for historic preservation. As several speakers have mentioned, there was recently an Assembly hearing to talk about the needs in historic preservation. That packed room, and all of the testimony, certainly testified how great the needs are.

I would like to quickly cover two points: One, some suggested amendments, and two, some information concerning those needs.

First, as to the amendments, I have a letter in which I have outlined my amendments. The letter is going to each of the sponsors, and I have a copy of that for the Committee members here. In addition, before I highlight some of those points, what I would like to do is go over some additional things that were brought up today.

I would support the addition of criteria for the historic section. I think this is especially important when you talk about demolition. I know that demolition is one of the items in the definition for construction. I think it is important to have criteria in there in terms of when demolition

would be funded. Also, acquisition. I would support including that, but, again, I think we would want criteria as to when it would be appropriate to fund acquisition.

I would also support the 50/50 matching grant. All of the grants my office administers, whether they are survey or planning or acquisition -- when and if the Federal government does give Federal acquisition development grants -- are on a 50/50 matching basis. I would also encourage inclusion of the word "restoration." Numerous times throughout the bill when there is talk about the type of work to be funded, restoration is excluded. I think it should be part of it.

Finally, I would support the idea of a percentage of the money going for a revolving fund, so that this money will recycle.

In terms of some of my points, I encourage that the bill be specifically worded so that funding is to go to buildings listed on the New Jersey State Register. When the Register was set up in 1970, it was very clear that it was intended that that would be the cream of the crop of historic properties; that in the law there is protection from public projects for properties on the Register. In addition, the law states that no State funds shall be expended for, or in aid of, acquisition, preservation, restoration, or maintenance as a historic site of any area, site, structure, or object, unless and until the same shall be approved for inclusion in the Register of historic places.

The way the law is currently written, it gives either or. A historic site is either one that is on the Register, or is historic under the Land Use Law. To be consistent with our earlier State Register Law, I would encourage you to say that historic is one on the Register.

In terms of the administration -- and several speakers have addressed the administration -- the historic part -- I would certainly support the involvement of the New Jersey

Historic Trust, but would also like to offer what is perhaps another way for that money to be administered. I do agree with several of the speakers -- Kitty and Al Felzenberg -- in the sense of the interdepartmental approach being a good approach. When you talk about historic preservation, you are talking the cultural end of it -- the historic sometimes houses a museum -- but you are also talking economic redevelopment. So, I think the input of all of the different agencies, plus citizens, would be good.

What I would encourage is the involvement of the New Jersey Historic Trust as a member of that committee, and that the committee be truly an interdepartmental either committee or Task Force, rather than under any one department; that you still have the review in the same way it is structured right now. Right now, the cultural are reviewed by the Arts Council, and for the historic it was going to be reviewed by the Historic Sites Council. I would say instead it should be the Historic Trust, but then I think that those two bodies, which have the expertise, could still review the projects, go to the Interdepartmental Task Force, which would have the responsibility to make the final decision as to which projects get funded. Then you resolve the problem that Al mentioned of DEP having both the historic preservation programs and also having all of the State-owned historic sites.

What I would then say is, the final step is that the Interdepartmental Committee has the right to make the decisions, with awards being made by the appropriate officials. For the art, it would be-- The awards would be announced and made by the Secretary of State, and for the historic preservation projects, it would be the New Jersey State Historic Preservation Office, who is the Commissioner of DEP.

~~Just to go briefly to the Historic Trust versus the~~ Council, they were both set up in 1969 -- '70 roughly -- to be

within the Department of Environmental Protection, to deal with historic preservation programs. The reason I say substitute the Trust for the Council's involvement, is that the Council does environmental reviews. They review projects -- public projects -- that are going to affect resources on the Register. The Trust is the existing mechanism to fund historic preservation projects at the State level, so even though they hardly have any money -- at this point, a \$20,000 a year appropriation -- they do have the mechanism for reviewing grant projects.

Finally, I would also support the proposal to expand the historic preservation component to involve private, nonprofit organizations. We see, statewide, that these organizations are very active in preserving our historic structure. I think that even a small amount of money could benefit these projects.

The second major point is the need for capital money. In October, 1984, my office did a study to see how much the need was for both government buildings and also private-nonprofit. At that point, we contacted each county and asked for input. Based on the material we received, the estimate for the needs of those two types of projects was \$76.6 million. More recent material seems to indicate that the need is as high, if not higher. Again, the New Jersey Trust, despite the fact they only have an annual allocation of \$20,000, receives numerous inquiries, both in writing and over the phone. Many of our recent inquiries were in the range of \$250,000 to \$500,000 per structure.

Also, as Kitty mentioned, Middlesex County and Monmouth County have done recent studies of their needs. In Middlesex, they estimate just for stabilization it would be \$4.4 million. In Monmouth, they estimate for the public projects it would be \$5 million. For the 24 State-owned historic sites, the anticipated needs for the next three years is \$9.2 million.

Even though those are just bits of information, I would like to let you know that my office is planning on doing a comprehensive -- another polling, like the one we did in 1984 -- to find out the needs, both because there is the State proposal to fund historic preservation, and also because the National Conference of State Historic Preservation Officers is looking at a proposal to reinstitute the Federal acquisition development money.

I would basically like to conclude by saying that New Jersey DEP does support this legislation, with amendments, and that as the State's professional historic preservation staff, we would be willing to answer any questions or provide any help in amending the legislation.

Thank you.

ASSEMBLYMAN GARGIULO: Maureen, do you have anything?

ASSEMBLYWOMAN OGDEN: Yes. What is your feeling, Nancy, about having a small part of it being set aside for a revolving fund, say, low interest, as opposed to the matching grant? You know, as I described earlier, the need for emergency action and the fact that groups are just being formed to save some buildings. I don't know whether we would run into the problem of it not being on the list then.

MS. ZERBE: Well, there is a provision in the current regulations that we can award a grant with the condition that the applicant agrees to register the property. So, we could get around that. Basically, I would support it -- the revolving fund -- especially now with there being no public money for so long. There are a lot of needs. There are numerous buildings here in the State where they need, real quickly, a roof, windows, etc.

ASSEMBLYWOMAN OGDEN: To be on the New Jersey Register-- Is that incumbent on someone to come to you and ask to be listed, or do you have a total listing?

MS. ZERBE: No, it is a constantly growing list. An individual organization can come to us and say, "We want to be on the Register, or a lot of our nominations come from-- We fund comprehensive citywide, countywide, surveys and, as a result of those surveys, the town or county will identify the most important resources, and will come back year two for a grant to nominate them.

ASSEMBLYWOMAN OGDEN: Now, in terms of, say, an emergency-- I am just trying to think through-- To be on the list to qualify for funding in terms of what you are recommending, how long does that take? Is that process--

MS. ZERBE: Oh, it is a long process, because it goes for staff review and then review by a State Review Board. But, what we just did with the New Jersey Historic Trust-- Last fall, they funded a small project, which a building needed a roof badly. It was not on the State Register. What they did was agree to fund it. First there was staff input from my office as to whether or not it met the criteria for inclusion. With that evaluation, part of the funding agreement was that they would agree to process the nomination.

ASSEMBLYWOMAN OGDEN: In terms of matching funds, as I recall, your office has had in-kind contributions, like volunteers for a number of hours. Is that something you would also be thinking of in connection with this, as opposed to actual dollars?

MS. ZERBE: I think it would be good. We do try to encourage financial commitment in our ranking of projects. Projects with more cash match rank higher. That is one of many in our criteria, just because it shows a stronger commitment.

ASSEMBLYWOMAN OGDEN: So that could be part of the criteria we are talking about that is lacking?

MS. ZERBE: Yes.

ASSEMBLYWOMAN OGDEN: How many are currently on the list? I realize it is a growing list, but how many sites and buildings are currently on it?

MS. ZERBE: I don't have the exact number off the top of my head, but it is approximately 800 individual, and-- I am not sure of the number of historic districts, but the districts range from four properties to 2000.

ASSEMBLYWOMAN OGDEN: Well, they might not all need it, but, like, I know at the hearing -- as I said earlier -- the person who was speaking on behalf of Union County said there were 6000 just in Union County -- important sites and structures. (inaudible comment from Ms. Shuler in the audience at this point) Okay, so out there, there are a whole lot more than just 800?.

MS. ZERBE: Yes.

MS. SHULER (still from audience): There are locally registered districts, too.

ASSEMBLYWOMAN OGDEN: But, the locally registered ones wouldn't be on the list?

MS. ZERBE: Not on our State Register, no.

ASSEMBLYWOMAN OGDEN: You think it should be limited to just the State list?

MS. ZERBE: I do, because of the way the law was written. Also, I think that was the intention, for the State to say, "We are setting up the State Register, and these are the properties most important to us. If we are going to fund any work on historic buildings, these are the ones we have said are the most important by designation, and these are also the ones we are going to protect under State law."

ASSEMBLYMAN GARGIULO: Don't you think that some local communities think that their projects are kind of important also?

MS. ZERBE: Well, it is not that it is not their projects. The State Register designates properties that are significant at the State, county, or local level.

ASSEMBLYMAN GARGIULO: Let me word that another way. Don't you think that some local communities think that their

sites are significant? I mean, they may not agree with the State.

MS. ZERBE: They may differ with the State criteria?

ASSEMBLYMAN GARGIULO: Right. Do they have any recourse?

MS. ZERBE: They could designate them local landmarks, but, again, if they did-- The State criteria is very broad in significance, both architectural and historic, and it can be at a national, State, or local level.

ASSEMBLYMAN GARGIULO: Maureen, is there anything else?

ASSEMBLYWOMAN OGDEN: No, thanks.

ASSEMBLYMAN GARGIULO: Nancy, thank you very much.

MS. ZERBE: Okay.

ASSEMBLYMAN GARGIULO: I think there was another speaker. Please come up. (motioning to someone in the audience) Please state your name. We want to pick it up on the recorder.

A N N K L E M M E: My name is Ann Klemme. I am the Chairman of the New Jersey Historic Trust. I think everybody has sort of done my testifying for me this afternoon. I congratulate Mrs. Ogden on the introduction of this bill, because we all know how desperately moneys for both culture and historic preservation are needed.

Mrs. Ogden's amendments have covered all of my concerns. I am glad that those who have testified agreed that the New Jersey Historic Trust is the appropriate body to administer the historic preservation portion of the bond funds. I support Mr. Felzenberg's proposal that panels be appointed to assist in reviewing grant applications. Members of the Trust have discussed using that means, and are very comfortable with it.

I approve of the idea of including private, nonprofit organizations to receive moneys. I approve of the idea of having these be 50/50 matching grants, and I like the idea of

the revolving loan fund. The Historic Trust, in its long-range planning process that has been going on for the last two months, had designated as one of our objectives to establish an emergency loan fund, because we felt it was so badly needed.

Unless there are questions, I will just say I appreciate the opportunity for input in tailoring this bill.

ASSEMBLYWOMAN OGDEN: One question, Ann. In terms of what Nancy Zerbe said, that they favor just using what is on the New Jersey Historic Register, what would be your group's feeling about that?

MS. KLEMME: We, in our limited experience -- the five of us who are new appointees -- have only worked with structures that were either approved to go on the Register, or that Nancy's office had asserted were eligible. I think if you refer to-- I don't know the Municipal Land Use Law, but I think State Historic Register status is important.

ASSEMBLYWOMAN OGDEN: How do you feel -- if we have it on a matching basis -- about the in-kind volunteers?

MS. KLEMME: I am in favor of in-kind. In my own community, I had a historic survey some years ago where in-kind was very important to our being able to bring it off.

ASSEMBLYWOMAN OGDEN: It probably wouldn't have been done without it.

MS. KLEMME: It would not.

ASSEMBLYMAN GARGIULO: Are you finished, Maureen?

ASSEMBLYWOMAN OGDEN: Yes.

ASSEMBLYMAN GARGIULO: Thank you, Ann. Is there anyone else? (affirmative response)

A N N R U S S E L L: I am Ann Russell. I do not have any prepared testimony, but I would just like to go on record as the President of the Board of Trustees of the New Jersey Chamber Music Society and Director of Development for the William Carlos Williams Center for the Arts in Rutherford.

I would just like to commend you for your concern for the regional facilities throughout the State, which are deteriorating. I can't add very much to what John Hyer had to say. He really told it the way it is. - The longer we wait, the more we will have to do. A bill in this amount would certainly help drastically to lower maintenance and insurance costs, and would encourage more public and private partnership.

The Center has just received its feasibility study from the fund raising firm, and they recommend that we go after half public and half private funds. That is the only way we can do it. The New Jersey Chamber Music Society also has difficulty finding suitable auditoriums to perform in throughout the State. As you know, it is one of the premier organizations in the State.

Thank you very much. Do you have any questions? (no response)

ASSEMBLYMAN GARGIULO: Thank you, Ann, and thank you, Assemblywoman. Do you have something else?

ASSEMBLYWOMAN OGDEN: I just have one question I would like to ask Al Felzenberg. Al, it was my understanding from what Nancy Zerbe said that she would favor keeping what we have on page 3 here -- this Interdepartmental Committee -- changing, on page 4, the recommendations to the Historic Trust instead of the Historic Sites Council. As I understand what you had to say, you said that if it were the New Jersey Historic Trust, you didn't think the Committee was necessary. I just wonder what your reaction is.

MR. FELZENBERG: Mrs. Ogden, if you are asking for advice, or for my thoughts, I mean, you either put them together, or you separate them. I can live with either situation, but what I find a little difficult, especially in the years that follow us, as new Legislatures and new administrations come in, is, you are going to have a new structure here which is going to be, what, a super committee over the two committees?

The argument to separate them, as I understood it, was that the Trust had in place the mechanism to review applications that come before it for funding of essentially historic sites. I agreed with that, and I supported this bond issue as a way of combining two important needs. That is perfectly fine. I suggest that as long as we agree to that, then let the Arts Council do what it does and abolish the third committee. I just see an overlapping layer of jurisdiction. I see the Arts Council and DEP again sitting down together and getting into each other's areas. I thought the whole argument about separating them was that DEP will do what it does well, and we will do what we do well.

The existing committee that the bill outlined on page 3, did, indeed, make provisions for DEP to participate. It included their representatives. It had them on an all-encompassing committee. I would assume that that committee, had it been drafted, would have retained its own staff, and would have done the job. It would have had two panels, hopefully, and it would have been administered-- You have to administer it someplace. What the Secretary of State told me this morning on the phone that she would outright oppose, was an in but not of superstructure that no Cabinet member had any ability to control, in any possible administrative way.

ASSEMBLYWOMAN OGDEN: Put it in the Treasury?

MR. FELZENBERG: Well, she would oppose that, too. So, I mean, you are either putting it in one area or in another area. We trust our professionals and our peers; I hope they trust us. That is why we thought that that Committee that would have dealt with the \$90 million, by having various panels, was fine. If the Trust is going to be doing their own thing, fine, too. Let's get on with it; let's pass the bond issue; ~~let's have this broad-based coalition that I talked~~ about.

We get along very well with Nancy and the people over there. I am concerned about future administrations. I am concerned about territorial disputes. I am concerned about confusion in the field, trying to explain to the voters why you are going to have three structures doing something. You are going to have more people involved in this if you keep this super umbrella than you have with some of the real bond issues you're passing -- the large numbers, the ones I have heard talked about for baseball, for prisons, for bridges, and for other things. I mean, they seem to get by with four or five people who can make the decisions. We certainly can get by.

The fewer people involved, the faster the money can get out. If there is an emergency out there, I would like to see the money out as soon as possible. Any disputes that happen with any panels-- This is going to become a Supreme Court, in a way. So, I would say one way or the other. Either keep it as it is, with the provision that is already in there that the two Departments will cooperate-- I would house it where it is, because this began as an arts bill. The historical community came to us when the Lynch bond issue was in trouble a few years ago, and Senator Lynch was concerned about helping history, and we said, "Fine, the broader the coalition, the better." I would rather see you go with this than have two separate bond issues. If you had two separate bond issues, you would house one in one Department and one in the other.

I would like to see that approach, or the way you have it.

ASSEMBLYWOMAN OGDEN: Would it be your feeling, Al, that if there is an overlap -- for instance, as we said earlier, there are cultural centers that are historically important -- that it would be whatever the prime purpose was? If it is a cultural center, then they would come to the Arts Council.

MR. FELZENBERG: Well, what's interesting, Mrs. Ogden, is, I see two other trends going on. I just talked to one cultural institution, and while we were discussing it, I said, "Have you given any thought to going on the National Register and/or the State list?" The answer was, "We have, but we would rather not. We are an arts center first and foremost. We are happy that we are old and that we have a proud tradition, but let's get us the money and get our performances on." So, I see both things.

I have also seen the Trenton War Memorial, as well as the Newark Symphony Hall, rush to get on the list because they felt it would somehow enhance their chances of applying twice. I can't speak for all the people out there, but I have seen the piano legs going through the stages. I think what concerns us-- We are not interested in knocking down old buildings; I mean, God, no, we're not. But I think the article you mentioned was talking about our historic places -- our revolutionary structures, our historic buildings, museums, and things of that nature. Some of those concert halls can qualify if they were built as concert halls. With others, you are talking about adaptive reuse.

So, I do see some problems here. I would either separate them -- I think it is a little silly to have a bond issue for \$40 million and a bond issue for \$50 million -- or I would keep it as it is. But, you know, if we are going to separate them, let's separate them; if we are going to put them together, let's put them together. I am just concerned about the tug of war that may follow us. I don't think it is a good thing to leave to our successors. They are the ones who are really going to have to wrestle with it.

ASSEMBLYWOMAN OGDEN: Jim was just asking, along the lines of the question I asked earlier, who determines what the primary use is? I would think whether it is being currently used as a cultural center, then even though it is historically significant, it would come--

MR. FELZENBERG: All right, well, okay. The same question you asked Nancy. The owner decides what its uses are going to be. That is how we always operated. If McCarter just tells me their first and foremost goal in that theater is to put on the best plays they can, with the best performances they can, for the broadest number of people, that that is their mission as a theater -- I mean, they are proud that they are in a historic community -- a historic community that had one of the first and most active historic preservation ordinances in the State; they are proud of that, and they certainly prefer this beautiful building -- then they could have a new structure, and they went to a great deal of effort to have creative reuse of that beautiful facility, but they tell me they are an arts center. George Washington did not sleep in McCarter Theater, nor, to our knowledge, did any other Presidents. That is not their mission. But if Allaire State Park would come in and say, "Our mission is a historic structure; our mission is an old village," that is indeed what it is. Although we are very proud we can put on craft fairs, we can put on Arts in the Parks in Allaire State Park, and do that, the owner determines the use, it would seem to me.

ASSEMBLYWOMAN OGDEN: So, may we restrict applicants to one of the other?

MR. FELZENBERG: I think that would be very helpful. Among legislators, you're asking about double-dipping, and I think, yes, you could put it in there that you require one or the other. I have a feeling that some of the groups thought they could double-dip, and that is why they are rushing to get on this list. Yeah, I think that's--

One thing did not come up today, and again speaking in favor of history, I would say that regarding your survey-- You did a survey some years ago -- the Historical American Buildings Survey -- in 1935, during the New Deal. That was the last time you really surveyed all of New Jersey's

historic sites, and half of the sites have disappeared since 1935. That is an important thing, because if we do another study in the year 2000, I hope our existing structures will still be around. That is why it is important to get on with it.

Regarding the jurisdiction, you know, two pots or one pot, but not three, please. The government is complicated enough.

ASSEMBLYMAN GARGIULO: Any more questions?

ASSEMBLYWOMAN OGDEN: No, I don't have any more questions.

ASSEMBLYMAN GARGIULO: Thank you.

MR. FELZENBERG: Thank you.

ASSEMBLYMAN GARGIULO: I want to thank everyone for testifying, because I think the input is valuable. I think we are moving toward a very good bill. I am sure that before we are finished it will be something we can all be proud of.

Assemblywoman Ogden, thank you for coming down to testify, and staff, thank you.

ASSEMBLYWOMAN OGDEN: And, thank you, also.

ASSEMBLYMAN GARGIULO: Have a good day.

(HEARING CONCLUDED)

APPENDIX

ASSEMBLY
COMMITTEE Amendments

to

ASSEMBLY Bill No. 3199

Amend:

Page	Sec.	Line	
1	Title	3	Omit "\$90,000,000.00" insert "\$120,000,000.00"
1	Title	4	Omit "and" insert ","
1	Title	6	After "State" insert ", and the construction and renovation of public libraries"
1	Title	6	Omit "a fund" insert "funds"
1	Title	8	Omit "that fund" insert "those funds"
1	1	2	After "Preservation" insert "and Public Libraries"
2	2	after	
		18	Insert new subsection as follows: "f. In addition, there exists a significant need to provide expanded and improved public library facilities for the people of the State;"
2	2	19	Omit "f." insert "g."
2	2	21	Omit "and" insert ",,;" also after "projects" insert "and public libraries"
4	4	27	after "bonds" insert "for the purpose of awarding grants"
4	4	28	after "to" Insert "paragraph (3) and (4) of"; also Omit "act" Insert "subsection"
4	4	30	after "any" insert "of these"
5	7	1	after "under" insert "section 4 of"
5	8	2	after "provisions" insert "of section 4"
5	8	4	Omit "fund" Insert "Cultural Center Development and Historic Preservation Fund"
5	9	2	Omit "\$90,000,000.00" insert "\$120,000,000.00"
5	9	4	After "preservation" insert "and public library construction and renovation"

ASSEMBLY
COMMITTEE Amendments

to

ASSEMBLY Bill No. 3199

Amend:

Page Sec. Line

5	9	10	After "State" insert "; and c. \$30,000,000.00 for State grants for the cost of constructing or renovating public libraries, to be allocated in accordance with the provisions of the "New Jersey Library Construction Incentive Act", P.L. 1973, c.381 (C. 18A:74-14 et seq.)"
6	10	3	After "Preservation" insert "and Public Libraries"
8	18	2	omit "a' insert "two"; also omit "fund," insert "funds. Of the proceeds, \$90,000,000.00 shall be held in a separate fund"
8	18	4	Omit "." Before "The" insert "and \$30,000,000.00 shall be held in a separate fund, which shall be known as the "New Jersey Library Construction Incentive Fund.""; Omit "of this fund"
8	18	6	Omit "fund" insert "funds"
8	19	after	

ASSEMBLY
COMMITTEE Amendments

to

ASSEMBLY Bill No. 3199

Amend:

Page Sec. Line

9 Insert new subsection as follows:

"b. The moneys in the "New Jersey Library Construction Incentive Fund" are specifically dedicated and shall be applied to the cost of the purposes set forth in the "New Jersey Library Construction Incentive Act", P.L. 1973, c.381 (C. 18A:74-14 et seq.), and all such moneys are appropriated for those purposes, and no such moneys shall be expended for those purposes, except as otherwise authorized by this act, without the specific appropriation thereof by the Legislature, but bonds may be issued as herein provided, notwithstanding that the Legislature has not adopted an act making a specific appropriation of any of the moneys."

8	19	10	Omit "b." insert "c."
8	19	13	After "Fund"" insert "and the "New Jersey Library Construction Incentive Fund""
8	19	17	Omit "c." insert "d."
8	19	19	After "Fund"" insert "and the "New Jersey Library Construction Incentive Fund""
8	19	22	Omit "fund" insert "funds"
12	24	4	Omit ","
16	Box	2	After "Preservation" insert "and Public Libraries"

ASSEMBLY
COMMITTEE Amendments

to

ASSEMBLY Bill No. 3199

Amend:

Page Sec. Line

16	Box	4	After "Preservation" insert "and Public Libraries"
16	Box	6	Omit "\$90,000,000.00" insert "\$120,000,000.00"
16	Box	9	Omit "and" insert ",,"
16	Box	13	After "State" insert " and \$30,000,000.00 for State grants for the construction and renovation of public libraries"
16	Box	16	Omit "\$90,000,000.00" insert "\$120,000,000.00"
16	Box	21	Omit "and" insert ",,"
16	Box	24	After "State" insert " and \$30,000,000.00 for State grants for the construction and renovation of public libraries"
16	Box	24-26	On line 24, omit "Awards will be"; omit lines 25 and 26 entirely.

NOTES TO PRINTER: On page 3, section 3, line 47, correct the spelling of "benefit" in Roman

On page 10, section 23, line 63, correct spelling of "bonds" in Roman ✓

On page 11, section 23, line 101, correct the spelling of "trustees" in Roman

On page 11, section 23, line 111, correct the spelling of "hereof" in Roman

ASSEMBLY
COMMITTEE Amendments

to

ASSEMBLY Bill No. 3199

Amend:

Page Sec. Line

NOTES TO PRINTER (Continued)

On page 12, section 23, line 139, insert "." after "h"

On page 16, section 28, line 18, correct the spelling of
"approval" in Roman

Change Synopsis in Roman to read as follows:

ARTS AND CULTURE

Designated the "New Jersey Cultural Center
Development and Historic Preservation and Public
Libraries Bond Act" and authorizes issuance of bonds in
the amount of \$120 million.