

05
10
H673
1991a

PUBLIC HEARING

before

ASSEMBLY CONSERVATION AND NATURAL RESOURCES COMMITTEE

"The Asbury Park Casino Building Historic Preservation Project"

July 9, 1991
Boardwalk
Ocean Grove, New Jersey

MEMBER OF COMMITTEE PRESENT:

Assemblyman Daniel P. Jacobson, Vice-Chairman

ALSO PRESENT:

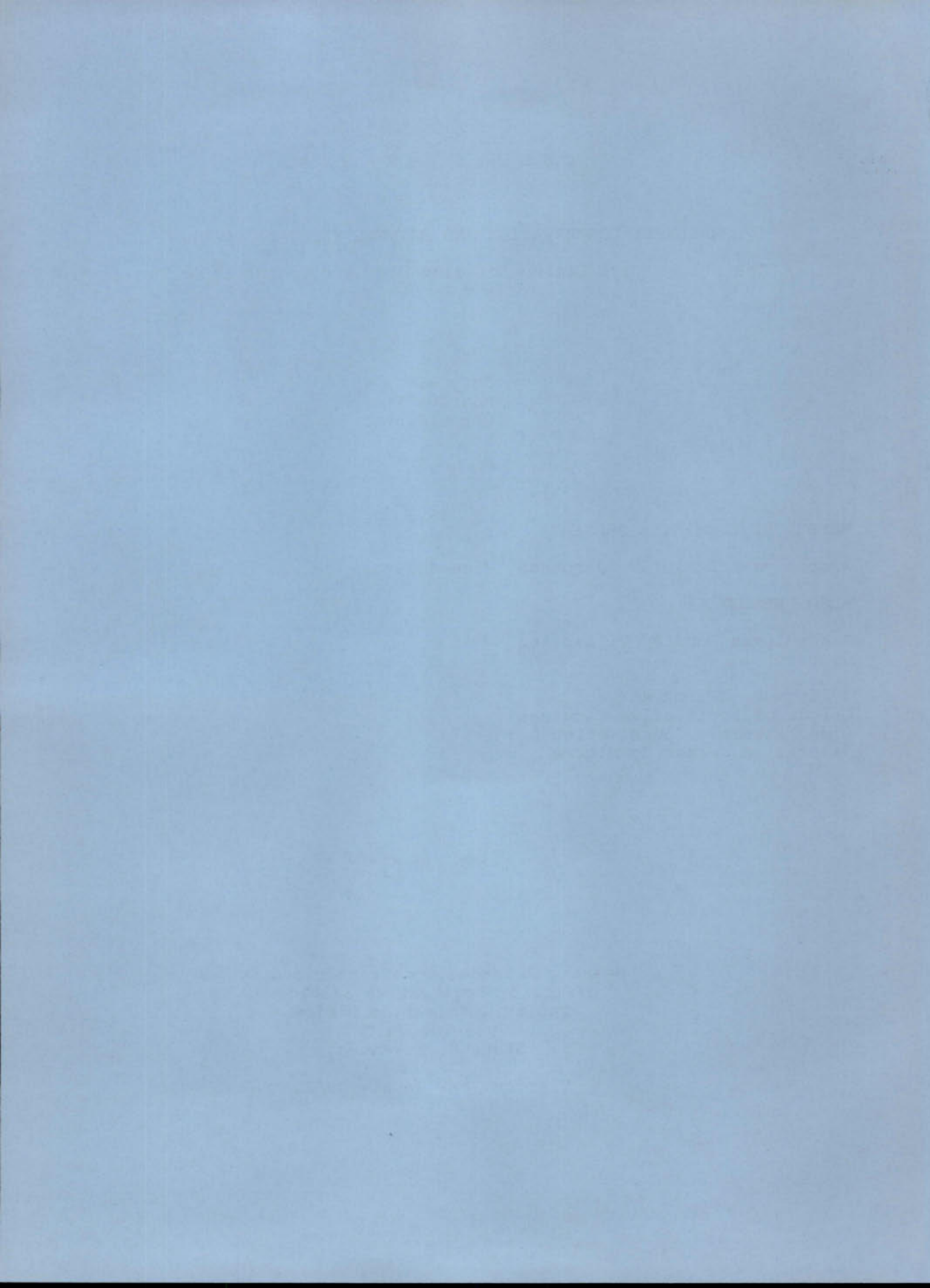
Assemblyman John A. Villapiano
District 11

Jeffrey T. Climpson
Office of Legislative Services
Aide, Assembly Conservation and
Natural Resources Committee

* * * * *

Hearing Recorded and Transcribed by
Office of Legislative Services
Public Information Office
Hearing Unit
State House Annex
CN 068
Trenton, New Jersey 08625

10/11





THOMAS J. DUCH
CHAIRMAN
DANIEL P. JACOBSON
VICE-CHAIRMAN
JOSEPH A. MECCA
MAUREEN OGDEN
JOHN E. ROONEY

New Jersey State Legislature
ASSEMBLY CONSERVATION
AND NATURAL RESOURCES COMMITTEE
STATE HOUSE ANNEX, CN-068
TRENTON, NEW JERSEY 08625-0068
(609) 292-7676

NOTICE OF PUBLIC HEARING

The Assembly Conservation and Natural Resources Committee will hold a public hearing on the following matter:

The Asbury Park Casino Building Historic Preservation Project

The hearing will be held on Tuesday, July 9, 1991 at 9:00 A.M. at the Homestead at Ocean Grove Restaurant, Ocean Avenue, Ocean Grove, New Jersey.

The public may address comments and questions to Jeffrey T. Climpson, Committee Aide, and persons wishing to testify should contact Carol Hendryx, secretary, at (609) 292-7676. Those persons presenting written testimony should provide 10 copies to the committee on the day of the hearing.

DIRECTIONS

FROM GARDEN STATE PARKWAY:

Heading north on GSP, Exit 100 (Route 33 East - Ocean Grove)
Heading south on GSP, Exit 100B (Route 33 East - Ocean Grove)

Take Route 33 East all the way down to Main Street where you will see the entrance to Ocean Grove in front of you and to your left. Take that entrance, go all the way to the oceanfront, and then make a left turn onto Ocean Avenue. Go as far as you can and you will see HOMESTEAD at OCEAN GROVE Restaurant on the boardwalk in front of the Casino Building.

FROM I-195

As you head toward shore points and the end of I-195 look for Route 18 North - Eatontown on your right. Take Route 18 North to the Route 33 East - Neptune exit, then follow the directions as above.

TABLE OF CONTENTS

	<u>Page</u>
Samuel J. Addeo City Manager Asbury Park, New Jersey	3
Anne S. Babineau, Esq. Wilentz, Goldman & Spitzer	4
George H. Floyd Assistant City Manager Asbury Park, New Jersey	4
David Roberts City Planning Director Asbury Park, New Jersey	12
Robert W. Kirchgessner Director of Development Ocean Mile Development Group	15
Harriet Hawkins Executive Director New Jersey Historic Trust	19
Thomas S. Smith Mayor Asbury Park, New Jersey	26
David J. Parreott, Jr. Councilman Asbury Park, New Jersey	28
Eric Allen Cohen Architect/Planner Asbury Park, New Jersey	32

* * * * *

ASSEMBLYMAN DANIEL P. JACOBSON (Vice-Chairman): We're ready to begin. This is a meeting of the Assembly Conservation and Natural Resources Committee -- a hearing on-site. I am going to be Chairman today in place of Tom Duch, and John Villapiano will be substituting for Mr. Duch. Joe Mecca, from Passaic, who was supposed to be here today, called late last night and said he had a last minute conflict and wouldn't be able to make it. However, for everyone present, as we usually do at public hearings, have a court reporter and there will be a transcript of this hearing available to everyone; members of the public, if they need it, as well as all of the Committee members.

The purpose of this hearing-- It is an oversight hearing to determine the status of the Casino Restoration Project. As many of you know, John Villapiano and I sponsored legislation that was signed into law by the Governor last August, that contained an appropriation for a \$750,000 grant to restore the casino, in terms of putting on a new roof and sealing the building. That grant was to be matched dollar for dollar by the City's designated redeveloper, Ocean Mile.

At this point, almost a year later, work has not yet begun. John and I are very concerned about the status of the project. One of the reasons we had the hearing right here is, you can see the condition of the casino, and it will also be very easy for witnesses to point out various structural aspects of the building and the work that has to be done.

But the bottom line is this: We are very concerned that if we wait much longer when repairing this roof and sealing this building, the building will be lost forever, and it is a very historical structure and a very important structure for Asbury Park and its redevelopment.

With that brief opening comment, I would just like to ask-- John, do you have a quick comment you want to make, and then we will get underway?

ASSEMBLYMAN VILLAPIANO: Well, I think the one aspect of this, Dan, that we should probably also stress is, the \$750,000 was part of a much larger appropriation that came from the Green Acres Commission. This was one of the projects that was designated. Now, it is not the situation that this is one of the only projects in the State. The competition is ongoing on a daily basis for money. If this money was appropriated, or approved approximately one year ago, people have been out there looking and wondering how come it hasn't been spent.

Our situation is that if we don't get off the dime at some point in time, these funds could be reprogrammed. We will do everything in our power not to have that happen, but just one quick look at the building would indicate that if it is not shored up and made weatherproof, it is going to continue to deteriorate at a rapid pace. If those moneys -- \$750,000 -- are not available in the future, there really would be no -- I think nothing over the horizon to shore the building up.

So, I look at this as one of the last hurrahs for the casino. The State has made its investment. The State has indicated that it wants to be here; that it wants to shore up this historic structure. It is important for us, as legislators, to keep that money in line, but we also need the cooperation and help of the redeveloper, the City, and everybody else who is here this morning. I think that by pulling all of the people together who are responsible for not only making this decision, but for making the decisions in the future to make this building water tight and weatherproof, that we would be in a very good position to really understand where we are as a community to shore up the casino.

ASSEMBLYMAN JACOBSON: Thanks, John. Also, I just want to tell you, I promised all the witnesses that we are going to try to have a time limit. We are going to try to hold this hearing to about an hour-and-a-half, so I am going to be fairly aggressive in trying to point the testimony to answer the questions that we are looking for.

To begin, let me just take note of a letter -- which is where John and I became involved -- of January 22, 1990 from Stephen Patron, who is the CEO of the Ocean Mile Development Group. I would just like to read one paragraph of it, so everyone knows where we start out from, so we can find out what happened from there. This is a letter to Mayor Smith and City Manager Sam Addeo, advising that Ocean Mile will match any State grant that is secured through an application by the City.

"Please allow this letter to confirm the commitment of Ocean Mile Development Group to provide the matching funds for the City for this project in the amount of \$750,000, based on the cost estimate prepared by the City Engineer dated January 19, 1990. This commitment is based upon the status of Ocean Mile Development Group as the City's designated redeveloper, and subject to the execution of a lease for the complex that is satisfactory to Ocean Mile Development Group, the City of Asbury Park, and the New Jersey Historic Trust."

So, we began in January of 1990, about a year-and-a-half ago. The match was based on those two factors: the execution of a lease satisfactory to both parties -- the City and the redeveloper -- as well as Ocean Mile continuing -- as being the redeveloper.

With that, I would like to call as the first witness, or witnesses-- We would like to find out about the City's Redevelopment Plan and the requirements under it pertaining to the casino. I think it would be appropriate to hear from Sam Addeo, City Manager, and Anne Babineau, the attorney for redevelopment, and any other -- anyone else you want to bring up with you, Sam.

Just so you know, those microphones are just for the transcribing. They are not for volume. If you could all just identify yourselves for the record--

S A M U E L J. A D D E O: I'm Sam Addeo. I am the City Manager of Asbury Park.

A N N E S. B A B I N E A U, ESQ.: Anne S. Babineau, Wilentz, Goldman & Spitzer, attorney for the City in connection with the redevelopment project.

G E O R G E H. F L O Y D: George H. Floyd, Assistant City Manager.

ASSEMBLYMAN JACOBSON: Okay. The first question we would like to know that establishes-- What specifically are the requirements for the redeveloper under the redevelopment agreement -- the modified redevelopment agreement -- pertaining to the casino?

MR. ADDEO: Go ahead.

MS. BABINEAU: In connection with that, I think that the best place to answer that question is to start from the Redevelopment Plan itself. As far as the Redevelopment Plan is concerned, it is a Redevelopment Plan that was enacted quite some time ago. The casino building and the power plant were recognized as historic structures that are of great value to the City.

I would like to just read two sentences from that plan which address themselves to both the Convention Hall and the casino and power plant: "The Convention Hall and the casino building and the power plant are important historic and architectural resources along the beachfront, worthy of rehabilitation. The Waterfront Redevelopment Plan proposes that these buildings all be comprehensively rehabilitated, but in the case of the latter two, this is seen as dependent on the engineering and economic feasibility of rehabilitation that has yet to be determined.

As far as the redeveloper agreement was concerned, the redeveloper agreement first entered into in 1986 called for the developer to implement the Redevelopment Plan, including redevelopment in connection with the casino. The timing of the casino redevelopment was not to be handled in the first phase. All that was to be done in the first phase was to deal with

issues of economic feasibility; namely a determination of whether the facility could attract, and be used for uses that would be sufficiently economic to make it worthwhile to proceed with the project.

In the first phase of the project, which concluded only last year, a feasibility study was done from an economic perspective to talk about the kinds of uses that could be entertained in both the casino and the power plant. The conclusion was that, dependent upon the amount of structural rehabilitation that needed to be done, it looked like uses could be put in both buildings that would enable the developer to justify doing the rehab. In other words, they concluded they could make a sufficient amount of money using the buildings to make it economic to proceed with the rehabilitation. So that was the first phase of the project with regard to the facility.

In the meantime, the structure had begun to very substantially deteriorate due to, primarily, one major storm that had blown out the doors of the facility -- as you can see, they are no longer visible -- and had done structural damage -- worse structural damage to the roof of the building. I think at about that time, a major effort was underway in the City to try to find some way of accelerating the rehabilitation of the facility beyond what had been agreed to in the initial redeveloper agreement.

About that time, through Dave Roberts, in the Planning Office, as well as the City administration, applications were made to the Trust to try to get money for at least some immediate stopgap measures, so that the facility could be stabilized and at least held in status quo until some major redevelopment could be done.

ASSEMBLYMAN JACOBSON: So, now what are we talking about, late '89?

MS. BABINEAU: About late '89 is when those applications were initially considered.

The redeveloper agreement called for very major redevelopment along the waterfront and, for a variety of reasons, that did not proceed as quickly as the City had called for in the redeveloper agreement. And coincidentally, about this same time -- 1989 -- the entire redeveloper agreement was subject to some very strong questions as far as the City was concerned. During that period, the City had to think hard about whether it was going to continue this project, given the lack of progress with this same developer.

About this same time, the entire project took a major turn from a largely residential and somewhat commercial project to a much more commercial project with educational entertainment pavilions as the major anchor for that project. During that period, the City addressed whether or not they would continue with this developer, but in a major new way; the major new way being with these changed uses in that area of the Redevelopment Project along the waterfront.

I think I can truly say that during that period, there was a very substantial question about whether the redeveloper's status would be continued for Ocean Mile Development Group. At this point, we have lived through that period, and the City has elected to stay with Ocean Mile Development Group with a new development scheme for the waterfront. Much has been talked about in the press regarding the modification agreement that was entered into, and you alluded to it this morning in your opening remarks. The City's original redeveloper agreement has been amended. That amendment was just formally signed on May 21, and the City has elected to stay with this developer, with a new development scheme for the foreseeable future with a set of clear deadlines for performance by the redeveloper during that period. That performance is being closely monitored.

Now, getting back to the casino, in conjunction with the modification agreement, again there was a major commitment made by the redeveloper to implement the Redevelopment Plan. Now I have to get back to what I started with; namely a Redevelopment Plan that calls for rehabilitation of the casino and power plant building, if they could be done from a structural and economic perspective, from a feasibility perspective. Hence, the modification agreement repeats what had been the understanding in the Redevelopment Plan, and that is that there would be a requirement to rehabilitate this facility as part of getting the designation of redeveloper for the whole project. There would be a requirement to proceed with rehabilitation, but only if that were feasible from an economic perspective.

As soon as we completed the execution of the modification agreement, work was underway at that time on the structural feasibility, and I believe the developer is prepared to address that structural feasibility issue, at least in some way, today at this hearing.

ASSEMBLYMAN JACOBSON: Okay. Now let me just make sure I have it straight: Under the redevelopment agreement now in force, the modified agreement, the redeveloper will conduct an economic feasibility study. It is his option that he is allowed, under the agreement, to conduct an economic feasibility study?

MS. BABINEAU: Actually, the focus at this point is more on structural feasibility because, from the perspective of economic feasibility, I think the City's position would be that that hurdle had been cleared already, in that there were uses that appeared to be feasible from an economic perspective earlier when the original feasibility study was done focusing on economics.

ASSEMBLYMAN JACOBSON: Let me back up then: What does the redeveloper then have to do under the agreement, vis-a-vis

the casino? One, it has to execute some type of-- Isn't there some type of a lease agreement that has to be signed? What specifically is that?

MS. BABINEAU: Obviously, this is a City-owned facility, and the developer, in order to do the rehabilitation, will have to have a lease in place. We are, in fact, in the process right now of firming up that lease. However, the lease, to my way of thinking, is not the critical element; rather, the feasibility study is the critical element. The lease-- What we are doing with the lease is patterning what was done in conjunction with the Convention Hall lease. There is really not any major mystery about that document. We are in the process now of ironing out the details and making it work for the casino. It is my judgment that within the next week, or maybe two, we should be completed with that process.

However, to date, we have been consistent with that original Redevelopment Plan, in that the City has been taking the position that they want that rehabilitation done if it is feasible, and that feasibility analysis from a structural perspective is what is underway at the present time.

ASSEMBLYMAN JACOBSON: Okay. So, under the redevelopment agreement, the lease-- There was a deadline which you are going to meet a little late, as far as getting the lease signed. Is that correct?

MS. BABINEAU: That's correct. Under the modification agreement, a deadline of 20 days had been set from that May 21 date. We are a little bit behind in conjunction with that. Frankly, it has turned out to be a little bit bigger project than anybody had realized. But it is following shortly after that deadline.

ASSEMBLYMAN JACOBSON: So you anticipate that within a couple of weeks or so the lease will be signed.

MS. BABINEAU: Exactly.

MR. ADDEO: Just to correct one thing, Assemblyman, I believe your letter alluded to the fact that the lease had to be signed by May 21. That wasn't entirely accurate.

ASSEMBLYMAN JACOBSON: It was 20 days from May 21.

MR. ADDEO: Twenty days from May 21.

ASSEMBLYMAN JACOBSON: Okay, yeah, thanks. All right. So then, at that point-- So you have to get the lease signed. The lease has to be signed, and then the redeveloper-- So the only requirement after that--

MR. ADDEO: Excuse me. I think, to spell out the chronology-- The lease has to be signed, but I think at this point, as Ms. Babineau said, there is very little more that has to be done, since it is being patterned after the Convention Hall lease. I think the chronology is that the Council has to authorize entering into the agreement with Historic Preservation. Now, it is my understanding that the City was never able to enter into that agreement until just very recently. So there was nothing we could do up until this point anyway.

The City Council also, Wednesday evening, culminated several months of negotiations and some work on the part of Dave Roberts and Eric Cohen, who are here today, and entered into a contract -- or passed a resolution to enter into a contract with Eric Cohen. He is an architect who has been working with Dave Roberts. This is to allow the City to have the technology, or the study to take a second look at anything that Ocean Mile should discover in their feasibility study. So, we are trying to get the capability in-house to have our own look at the building.

ASSEMBLYMAN JACOBSON: So you are going to do your own structural analysis?

MR. ADDEO: Yes.

ASSEMBLYMAN JACOBSON: Pretty much. When do you think that will be done, Sam?

MR. ADDEO: Dave Roberts can probably speak to that. Dave or Eric could probably speak to that better.

ASSEMBLYMAN JACOBSON: Okay, we'll get Dave up here, too. All right. So just to sum up, one last question I have -- just so I make sure I understand it perfectly clear-- Under the redevelopment agreement -- under the modified redevelopment agreement -- how can the redeveloper not do the restoration of the building? Under what circumstances can the redeveloper -- will that building not be restored?

MS. BABINEAU: If it is not feasible. Feasibility takes into consideration the condition of this building, which is in a state of fairly serious deterioration.

One thing I think the City would like to convey today in the context of this hearing is that this is a structure that is very much valued by the City, and that the City is very much appreciative of the assistance of Historic Preservation in, not only the short run, but in the long run, to the extent that but for that kind of assistance, it would be very difficult to make the numbers work. It would be very difficult to try to get a developer to come in and do what the City very much wants to be done. You know, there is a very big gap sometimes between wanting to preserve a historic structure like this, which is very much a part of the history of Asbury Park, and then getting it done.

We are hoping that the nature of the uses that can be put in here will generate a sufficient amount of dollars in order to make the restoration worthwhile from an economic perspective. But those are the kinds of considerations that are in play, and, frankly, we really can't give a straight answer to that question in terms of what it is that might cause the house of cards to fall apart. But once we do get those specific numbers, we will be in the best position to determine whether that project is feasible from those two perspectives.

ASSEMBLYMAN JACOBSON: Sam, a real quick follow-up so we can get to the next person: You mentioned -- and I just want to reemphasize it-- You mentioned you are going to have basically a second opinion from the City. You are going to get in there and also do your economic feasibility?

ASSEMBLYMAN VILLAPIANO: Structural.

ASSEMBLYMAN JACOBSON: Structural -- yeah, structural feasibility, not economic.

MR. ADDEO: Yeah. We are going to take a look at the building also, so that we have data. I think Dave Roberts can speak to what has been done already. The building has been looked at, so this decision isn't being made in a vacuum.

MR. FLOYD: I think it was our intent to make sure that the City's interests were being protected; that we do have our own engineer take a look at the building, and also to review the report that we will be getting from the developer.

ASSEMBLYMAN JACOBSON: The question I just have to ask is: If your report shows that it is structurally feasible, and hence economically feasible, and the redeveloper showed differently-- What happens then if you are in disagreement?

MR. ADDEO: First of all, let me just say that practically our Planning Office, our Council, Ocean Mile's people who are working on this, have been working together, so this won't be a major surprise when-- You know, one day we won't pick up the phone and find out that the building can't be salvaged.

If, in fact, that is the case, then we will cross that bridge when we come to it because, quite frankly, this is what we have been faced with in Asbury Park for the past decade, and all the wishing won't make it so. Wishing won't bring that building back. It has to be economically feasible. It has been difficult, but we feel we are working together fairly

well, and we are probably going to continue to, and we really don't want a lot of surprises. So, that is why we are keeping in contact with Ocean Mile.

MR. FLOYD: We're coming to that bridge very quickly, too. Probably within the next week or two we should be getting the engineering report from the redeveloper, and from preliminary reports it looks very positive at this point.

ASSEMBLYMAN JACOBSON: Good, okay. Thanks very much. Thank you very much for your testimony.

Can we hear next from Dave Roberts on the structural analysis -- the City one? For the record, your name and your title.

D A V I D R O B E R T S: Dave Roberts, Planning Director, City of Asbury Park.

ASSEMBLYMAN VILLAPIANO: Dave, we've heard a lot about the structural integrity, and it seems to me that the economic analysis of what can and what cannot be used in this facility is -- has been there, and I think people have made the commitment that, over time, there probably could be enough uses in that building to -- you know, to at least keep it alive. But now we are hearing, not a new thing, but it sounds to me that the structural integrity is a very, very important part. I think it is important for you, as Planning Director in Asbury Park -- and we will get into the redeveloper, I think, next on this structural question -- to, number one, give us a little bit more background on just what we are talking about structurally. What does "structural feasibility" mean? What has to be done in order for it to be structurally feasible to be corrected?

MR. ROBERTS: Well, basically, when we approached this problem of the building, originally we responded to the concern of the roof, which is, by visual observation, clearly the most critical, visible problem with the building. Without a roof,

without the ability to keep the elements out of the inside of the building, there is a clear progress of deterioration that has been ongoing, probably, for the better part of the last 15 or 20 years.

What we did when we initially approached the opportunity of applying to Historic Trust was, we evaluated what would be the most critical aspect of the building to address with that application, since we were fairly certain that we could not do everything since there was a \$1.1 million cap on the match that the Trust could provide, and there was a clear signal in the application that -- not to apply for the total amount unless it was absolutely critical. We tried to come to an agreement as to what would be the most -- what was the most urgent thing that had to be addressed in order to keep the building from further deterioration.

Basically, because of the time constraints we had -- we had to file an application by, I believe, the end of January of 1990-- We had originally asked the developer to do a structural analysis at that time, but we were not able to have that structural analysis done, in that the developer was not prepared to do it within the time frame that we had to submit the application. So I asked the City Engineer to do a visual inspection of the building and, based on that inspection, he basically agreed with our analysis that the roof system and the door system over both the arcade and the arena were the most critical things to address first. Based on his visual inspection, he felt that the caisson underpinning, the slab, and the wall systems, based on his knowledge of the history and the construction of the building, could probably be deferred until the overall rehabilitation of the building was done. When the big dollars were put into the building, those items could be addressed at that point, as long as not too long a period of time -- maybe a couple of years -- was to transpire between the

time we did the roof and the time we addressed the underside of the building.

ASSEMBLYMAN JACOBSON: Fine, okay. Can I stop you there for a second?

MR. ROBERTS: Sure.

ASSEMBLYMAN JACOBSON: We want to keep this kind of rolling along a little bit. So, the structural integrity we are talking about now is basically the roof. We are not-- Are we concerned about the pilings? Are we concerned about the structure of the whole facility? Or, are we just talking about roof and elements?

MR. ROBERTS: Well, basically, at this point we are considering all of those aspects. That is really the basic difference between the time we submitted the application and the present time. A year or more has transpired; almost a year-and-a-half has transpired since the time we submitted the application and the City Engineer did his original visual inspection, and the present time. Since that time, there has been continued deterioration on the underside of the building, enough so to cause the developer, who is basically putting up the money, to raise the question as to whether the wall and floor systems and underpinning of the building would be able to withstand the loading of a new roof. The basic concern -- and I will let the developers speak for themselves-- Their basic concern as it was expressed to me was that they wanted to make sure that when the new roof was put on, that the walls and underpinning could support it.

Our original scope of work, as we have been developing it over the last six to eight months, from the time that we found out that the Governor had signed the bill and we had started our initial explorations with the Trust as far as the scope of work, has really included a general stability analysis of the building with respect to the roof system. But, because of our initial assumption that the underpinning was stable,

there was not a specific inclusion in the scope of work of a detailed analysis of the structure, which would include the slabs and the wall systems.

Since that point in time when the developer raised the concern, the City decided that we, also, should explore those avenues because of the time period that has transpired since the original application. That is why we have expanded the scope of work to include those elements.

ASSEMBLYMAN JACOBSON: All right. One final question real quickly: Is the structural feasibility being done in two sections -- the area that is the promenade behind us versus the area that used to be the old ice skating rink?

MR. ROBERTS: Well, my understanding -- and again, I will let Mr. Kirchgessner give you details on their structural analysis-- But my understanding is that the two are not going to be necessarily identical. Their structural analysis included the entire building and the power plant, I believe. Our structural stability analysis that our architect will conduct is specifically related to the arcade and the arena, which was included under the scope of work of our Trust agreement. He will look at all of those structural elements -- the promenade, the caissons, the walls, the floors, etc. -- when he does that analysis. The developer will also be including those elements and possibly some other elements west of the arcade.

ASSEMBLYMAN VILLAPIANO: Thank you.

ASSEMBLYMAN JACOBSON: Thanks very much, Dave.

Why don't we hear next from the representatives of Ocean Mile, if we could?

R O B E R T W . K I R C H G E S S N E R: Robert Kirchgessner, Director of Development.

ASSEMBLYMAN JACOBSON: Could you spell that for the transcriber? I know they have a tough time. I have a tough time with your name, too -- spelling it.

MR. KIRCHGESSNER: It's K-I-R-C-H-G-E-S-S-N-E-R.

ASSEMBLYMAN VILLAPIANO: I just want to follow up a little bit more on that structural integrity. It seems to me that this whole application is pinned around structural integrity, structural feasibility. I just want to follow up a little bit more on Mr. Roberts, and maybe you can follow up on what exactly you are going to be doing to the building in order to determine, not if, but when and how it is going to be secured, weatherproofed.

MR. KIRCHGESSNER: I can start from this particular case: The bottom line is that we have completed a structural analysis of the building, and are satisfied with the results that it is economically feasible to restore the building back to its original condition.

ASSEMBLYMAN JACOBSON: When was that determination made? Is that a recent--

MR. KIRCHGESSNER: That report reached my hands on June 26, and has been going through an analysis process with the conceptual and economic feasibility that we have been working on for the uses in the building itself.

ASSEMBLYMAN JACOBSON: So then your first report is that you think it is economically--

MR. KIRCHGESSNER: Yes.

ASSEMBLYMAN JACOBSON: Let me make sure. Your first report is that it is economically feasible to restore it?

MR. KIRCHGESSNER: Yes. With the uses we are proposing for the internal portion of the building, the building will support the uses we want to put in it. It is structurally sound to the point where we can restore it within economic guidelines.

ASSEMBLYMAN JACOBSON: Okay. What are the uses specifically?

MR. KIRCHGESSNER: We have in the back portion of the arena, which was the old ice skating rink, the portion that is

east out over the pilings-- We have proposed to put in there a live entertainment type complex that is themed in the New Orleans theme, the major music theme of jazz -- a jazz type entertainment complex. The center arcade area is to be developed at this time into a New Orleans type street -- a Bourbon Street type of facility -- complete with the retailing that goes in that area. The front 26,000 square feet of the building on ground level is to be developed into an 1890s type bar and saloon, and the carousel is to be restored back to its original condition.

ASSEMBLYMAN JACOBSON: Okay.

ASSEMBLYMAN VILLAPIANO: To follow, we've heard from businessmen on both sides of the aisle, so to speak, that the promenade is a major function, or a major factor in getting business traffic back and forth. If you determine that structurally it is feasible to restore the building, and economically it is feasible to restore the building, I guess the next question would be: With the \$750,000 that the State is going to send down your way, how soon, or how long-- How soon could we expect to begin to see some kind of work, especially on the promenade area, to open it up to pedestrian traffic?

MR. KIRCHGEISSNER: Our structural analysis tells us that that promenade area there is extremely dangerous at this point. Somewhere along the line, somebody cut out a series of support columns at both ends of the buildings. That glass that is hanging in that building right there (indicates) could fall at any time. If we took and opened that up at this time, we would not accept the liability of it. Someone is going to get hurt, and hurt bad.

I think our position at this time is, as soon as the State is willing to move forward with the grant, we are ready to move forward with the rehabilitation.

ASSEMBLYMAN JACOBSON: So basically then, as soon as you can get the agreements -- the execution of all the documents between the State and the City, you are ready to roll.

MR. KIRCHGESSNER: That is correct, sir. I have to add one point to that: I was brought on board on April 1 to take on this project. We have spent maximum efforts, and a full concept has been developed for the entire facilities, including the power plant, the casino building, and so on. We have everything from renderings to conceptual to feasibility documents, and we now know that it is economically acceptable to our team to bring it forward.

ASSEMBLYMAN JACOBSON: Okay.

MR. KIRCHGESSNER: It is part of the overall scheme, of course.

ASSEMBLYMAN VILLAPIANO: As far as I am concerned, you've said it all. I think you cleared up a lot as far as all of us are concerned. When we get onto the State Historic Trust, I'm sure we will get some answers on how quickly we would be in a position to develop those documents that would allow for the participation.

ASSEMBLYMAN JACOBSON: I have another question which is of great concern to me in terms of all this. I appreciate what you're saying. The only problem I can see is that there have been published reports that Mr. Carabetta has been considering selling his interest in the projects. Is there anything you can comment on on that, vis-a-vis if that is true, or how that would impact on the casino restoration?

MR. KIRCHGESSNER: I have been involved in projects of this scope now since 1963. This is not my first. We see, probably, 100 to 125 projects a year that move into the commercial entertainment/educational markets and disappear. In that particular marketplace, there is always somebody trying to make a quick buck. Mr. Carabetta is simply in this condition entertaining some equity investors in this project, regardless

of the rumors on the street. This is a very large, very expensive project to be built, with an awful lot of risk that has to come in here to be done.

I think a lot of people around do recognize that. Some other people do not. But when you are going to risk well over \$400 million in an area, you like to have at least some equity investors, and that is the process that is going on at the present time. There have been people making announcements and statements that I believe at this time could be considered somewhat inaccurate. Unfortunately, that sets everybody on edge when that happens.

ASSEMBLYMAN JACOBSON: Thank you. Any other questions?

ASSEMBLYMAN VILLAPIANO: No.

ASSEMBLYMAN JACOBSON: Thank you very much.

MR. KIRCHGESSNER: You're welcome.

ASSEMBLYMAN VILLAPIANO: Thank you.

ASSEMBLYMAN JACOBSON: Next we would like to hear from Harriet Hawkins, the Executive Director of the State Historic Trust. Harriet, for the record and for the edification of everyone here, since John and I are used to working for you, just please, your name, title, and exactly what the organization is and what its jurisdiction is and how it works.

H A R R I E T H A W K I N S: Certainly. My name is Harriet Hawkins.

ASSEMBLYMAN JACOBSON: Could you speak up, too, Harriet, because that mike is not for--

ASSEMBLYMAN VILLAPIANO: That is for the tape.

MS. HAWKINS: It's for the transcriber.

ASSEMBLYMAN JACOBSON: Yeah, so just speak up.

MS. HAWKINS: My name is Harriet Hawkins. I am Executive Director of the New Jersey Historic Trust. We are participants in this project to the extent that in the first round of grant awards from the Historic Preservation Bond Act, opened in 1990, the casino was granted an award -- a matching

grant award of \$750,000. Our scope of work will extend to the replacement of an existing nonhistoric roof over the casino area with a new standing seam metal roof to match the original roof profile configuration in appearance; repair or replacement of roof over the arcade; and restoration of doors and window walls on the north and south Boardwalk entrances to the arcade.

As both Dave Roberts and Mr. Kirchgessner have pointed out, these are very critical to the continued stability of the building. That is the reason we gave the money for those elements.

ASSEMBLYMAN JACOBSON: Harriet, just to sort of make it complete, a little more about the Historic Trust. Why don't you describe the operation, the Board, the statutory basis for it, how you divvy up the money, and that type of thing?

MS. HAWKINS: Okay, sure. The Trust is an 11-member Board of Trustees, eight of whom are appointed by the Governor, three of whom serve ex officio. The organization was created in 1967 to promote public and private partnerships to advance preservation throughout the State. When the State enacted the first bond act to provide grants and loans for preservation projects, the Trust was named to administer the program. We are an agency within the Department of Environmental Protection.

ASSEMBLYMAN JACOBSON: Okay. Now, within the agency, you have professionals, architects, etc. who will review the project and its progress. Could you tell us about that and how that will work?

MS. HAWKINS: I should note just for the record that we are quite a small staff. Besides myself, there are three professionals who report directly to me. We also fund positions in the Office of New Jersey Heritage for the National Register and Review and Compliance.

ASSEMBLYMAN JACOBSON: I'll make sure the shortage of staff is noted by the Vice-Chairman of the Appropriations Committee on my left. (laughter)

MS. HAWKINS: We do not have a Contracts Administrator, but I have to compliment my staff for working very hard to try to get these-- We had 36 grants to get out from the first round. We are also in the middle of our second round, and we are well on the way to doing our contracts for the first round, in spite of having no Contracts Administrator. I have to compliment and acknowledge their hard work.

ASSEMBLYMAN JACOBSON: Good.

ASSEMBLYMAN VILLAPIANO: This is a major league lobby right now for a Contracts Administrator, in case everybody doesn't understand what is going on. (laughter)

ASSEMBLYMAN JACOBSON: Okay, back to the casino project: What specifically has to happen next between the State, and I guess it would be the City? You don't really directly work with the redeveloper.

MS. HAWKINS: I should clarify that our grant is to the City of Asbury Park -- \$750,000. It is a matching grant. That means that each dollar that we give must be matched by the City. In this case, it is Ocean Mile Development Corporation which will be providing the match for the work. Since it is a reimbursement process, the grantee makes the first payments, and then they are reimbursed for the work that is under the scope of the contract.

ASSEMBLYMAN JACOBSON: Okay, but what specifically now-- What agreements do you need between the City and the State, and what would be the time frame of those?

MS. HAWKINS: We have the contracts that are ready for signature. They need to receive final review by the City, but from our standpoint they are ready to be signed, returned to us, and then they will go through the concurrence and approval process.

ASSEMBLYMAN JACOBSON: So you need then signatures from the City, and then you need the Trust Board to concur and approve?

MS. HAWKINS: Right, and our attorney reviews; also the Finance Office in DEP, since they are the keepers of the Bond Fund. But it is an expedited concurrence process, compared to many contracts.

ASSEMBLYMAN JACOBSON: So that is all you need right now.

MS. HAWKINS: And then work would have to start. They would submit a reimbursement request. We have a quarterly reporting period. The grantees can submit requests every quarter for reimbursement, under the contract.

ASSEMBLYMAN VILLAPIANO: I basically have a joint question--

MS. HAWKINS: Sure.

ASSEMBLYMAN VILLAPIANO: --to the redeveloper and yourself: \$1.5 million -- \$750,000 from the State, \$750,000 from the redeveloper-- Is that enough money to do the scope of work -- the restoration work that we need, the weatherproofing, at this point?

MS. HAWKINS: Dave? (to Mr. Roberts in audience; his response indiscernible)

Yeah. It is a much bigger project than that. This is simply what we thought were the really critical elements for the building.

ASSEMBLYMAN JACOBSON: So this is just to get the--

MS. HAWKINS: To stabilize it. It isn't a fact that--

ASSEMBLYMAN JACOBSON: This is stabilization. This isn't full weatherproofing. This is stabilizing to prevent further decay.

MS. HAWKINS: It is just to get the roof on the building and repair the arcade wall, to keep the elements out.

ASSEMBLYMAN VILLAPIANO: The scope of work that you drew out, though, in the contracts--

MS. HAWKINS: Is based on the application submitted by the City.

ASSEMBLYMAN VILLAPIANO: Will \$1.5 million cover that amount of money -- I mean, cover that amount of work?

MS. HAWKINS: Based on our costs-- We have worked very closely with Dave to cost it out, so we know what the work is projected to cost, unless there are substantial changes in the economy.

MR. KIRCHGESSNER: (speaking from audience) Basically, the amount of money that they have allocated--

ASSEMBLYMAN JACOBSON: Why don't we have you back up, because you have to go back to the microphone for the transcriber?

MR. KIRCHGESSNER: The amount of moneys they have allocated and the scope of work they have defined-- I believe the moneys are adequate for that scope. The issue is that the scope of work that they define is not the total scope of what has to be done--

MS. HAWKINS: Right.

MR. KIRCHGESSNER: --to this building to stabilize it.

ASSEMBLYMAN JACOBSON: True, we know that.

ASSEMBLYMAN VILLAPIANO: Well, we understand that.

ASSEMBLYMAN JACOBSON: That's true.

ASSEMBLYMAN VILLAPIANO: We understand that.

ASSEMBLYMAN JACOBSON: However, the scope of work that is going to be done-- Would it be accurate to say it will eliminate -- will stop the decline of the building? In other words, if the building keeps going as it is, it's gone. Do you expect the scope to at least hold in check--

MR. KIRCHGESSNER: The answer to that question is, "No."

ASSEMBLYMAN JACOBSON: Okay.

MR. KIRCHGESSNER: The foundation under this particular building-- For those of you who are not acquainted totally with the building, this building is standing on wooden pilings. The concern I have on the building is the structural

cracks that are appearing in the outer walls, and the floor condition -- the sanding out of the floor condition from years of weather beating from both the rains and punishment it has had. We are at a position where the entire floor inside of that casino, which is not in their scope of work, and the shoring up of the pilings underneath it, which is not in their scope of work, also have to be done.

ASSEMBLYMAN JACOBSON: So you found that in additon then?

MR. KIRCHGESSNER: That is correct.

ASSEMBLYMAN JACOBSON: But, Harriet, as far as the scope of work, though, from the application the purpose then is to put the roof back on and try to seal the building, at least from rain and those elements.

MS. HAWKINS: Yeah.

ASSEMBLYMAN JACOBSON: But now you are additionally concerned with the structural integrity of the base of support of the building.

MR. KIRCHGESSNER: Like any building, without a foundation you don't have a building.

ASSEMBLYMAN JACOBSON: Right. This will hopefully take care of the top, and you are concerned with the bottom..

MR. KIRCHGESSNER: That is correct.

ASSEMBLYMAN VILLAPIANO: In the scope of work they mentioned that the windows would be shored up -- the north and south window walls would be shored up under the scope of work. Would that enable you, then, to open up the promenade that you had mentioned was a safety hazard?

MR. KIRCHGESSNER: Yes. That area in there, according to the reports we are looking at now, is going to require that all that glass comes out of both ends of this building, and that a total new header system be put into that to support it, even the possibility of putting the column that was originally supporting that structure back in there.

Once that work has been done and the trusses are corrected inside -- there are some trusses that are in very bad disrepair; they are less than 20% effective at this particular time -- and the roof structure is cleaned up on that arcade, then it can be opened, I believe. I wouldn't want to take any other position because there are things in there that can fall, very simply. If you open that up and create a wind tunnel again, I am afraid you are going to have trouble.

ASSEMBLYMAN JACOBSON: Just one last question while we've got you up there: Once the work begins in terms of the scope of work under the grant, basically the re-roofing and some of the stabilization of the walls, how long should that take? I mean, Harriet, how long do you expect to take? How long do you roughly expect it to take?

MS. HAWKINS: I would have to look at the schedule for the project. (pause while witness goes through her papers) Our time frame for the work under our grant is about 12 months.

ASSEMBLYMAN JACOBSON: Okay, so about a year.

MS. HAWKINS: I mean, we're flexible--

ASSEMBLYMAN JACOBSON: But you constantly--

MS. HAWKINS: --but this is an estimate based on--

ASSEMBLYMAN JACOBSON: But you monitor it every quarter, you said?

MS. HAWKINS: Yeah. The grantee reports to us every quarter. Plus, our staff is in continual conversation with many of our grantees, especially those who have work ongoing. They are kept up to speed with site reports and meeting minutes.

ASSEMBLYMAN JACOBSON: Okay. So, Mr. Kirchgessner, what is left, then? Ms. Babineau told us that you are working on the lease agreement; that hopefully it will be done in a couple of weeks. You have completed your structural and economic feasibility study. Is there anything left besides the lease agreement between you and the City to get it going?

MR. KIRCHGESSNER: I believe the only questions that still remain are the period of time it will take for them to conduct their feasibility study, and whether we can proceed forward before that is done.

ASSEMBLYMAN JACOBSON: Okay.

MR. KIRCHGESSNER: There is a 120-day period provided in the redeveloper agreement -- modification to the redeveloper agreement for that study to be done.

ASSEMBLYMAN JACOBSON: Okay, good. Thank you very much.

MS. HAWKINS: Do you have any further questions?

ASSEMBLYMAN JACOBSON: All right, Harriet, that's great. Thank you.

Next we would like to hear-- We have the Mayor of Asbury Park, Thomas Smith, and City Councilman Dave Parreott. I thought maybe they could both come up and we could have some questions. And, Sam (addressed to Mr. Addeo), could you-- Could we ask you some more questions -- you could come up with Dave and Tom -- so we could follow up?

A separate question, Sam, to follow up: The redeveloper says they are ready to go. The State says we are ready to go. What else do you see is left now before the construction starts, and do you need a feasibility study on the City's part if the redeveloper is determining that he is ready to go? Or anybody, that's fine.

MAYOR THOMAS S. SMITH: Our engineers will look at it and check the feasibility. What feasibility are you talking about -- economic or structural?

ASSEMBLYMAN JACOBSON: Well, the redeveloper just testified that they have determined that the structural feasibility is such that you can justify it economically to go ahead and restore -- renovate the building. It appears that the City is also now doing a feasibility study of its own -- a structural feasibility study. Do you need to complete your own

feasibility study now before you enter into the agreements with the State and the redeveloper?

MR. ADDEO: I think the purpose of the City engaging in its own study -- and it's broader than just a structural feasibility study -- was to act as a safeguard on the restoration of that building. I really don't-- I think that Mr. Kirchgessner and the other people working on this set out with a very positive attitude. However, the City Council is normally cautious in these matters, and if, in fact, someone were to say that the building couldn't be restored, the City wanted an independent opinion.

Now, as I said before, we have been working very closely together. I think the question more directly would be, is there going to be a duplication of effort? I do not think there is going to be a duplication of effort. Mr. Roberts is working on a daily basis with Mr. Cohen. Mr. Cohen has spoken to Mr. Kirchgessner-- I mean, Mr. Roberts has spoken to Mr. Kirchgessner ongoing. It would be counterproductive if we all had the same goals to just keep reinventing the wheel. That is not our intention.

Our resolution, that was passed by the City Council, is structured in such a way that if everything is going along towards the same common goal, then we won't get in each other's way.

ASSEMBLYMAN JACOBSON: Sam, what is left, and when would you be able to sign a contract with the State, as Harriet outlined, which they need to let the work to begin?

MR. ADDO: Well, she has the contracts today, and we'll sign them. We passed a resolution. They are-- In fact, we will add our voice to the lobbying effort to get them more staff, and we really appreciate everything they have done for us. As a matter of fact, there are other bills that we could pass to strengthen what they are doing. But, we are ready to sign them. You know, we passed a resolution already last Wednesday.

ASSEMBLYMAN JACOBSON: Okay. So you are ready to sign the agreements, then, with the State, which means, then, that the-- Where is Harriet sitting? (looking out into audience)

ASSEMBLYMAN VILLAPIANO: Harriet is right there.

ASSEMBLYMAN JACOBSON: Harriet, which means then that once you sign the contracts with the State, and once the redeveloper begins work, the redeveloper can then be reimbursed?

MS. HAWKINS: (speaking from audience) That is correct.

ASSEMBLYMAN JACOBSON: That is correct, okay.

MS. HAWKINS: Under the scope.

ASSEMBLYMAN JACOBSON: Under the scope, right. Did you bring the contracts today?

MS. HAWKINS: Yeah, I-- (remainder of sentence indiscernible; no microphone)

ASSEMBLYMAN JACOBSON: Perfect.

MAYOR SMITH: One thing is very important: As soon as possible, we would like to have this arcade open so people can pass through. It is very important to us, and to our beach concessionaires, too, to have that arcade open. At the present time it cannot be open because of the roof.

ASSEMBLYMAN JACOBSON: Okay. Councilman Parreott, do you have-- Since you guys are both the-- Since you gentlemen are both City fathers, although the form has been questioned of the other witnesses, I think it is appropriate that both of you make any statements you would like to make -- full statements about the project.

COUNCILMAN DAVID J. PARREOTT, JR.: Well, in coming here this morning and hearing what Mr. Kirchgessner indicated, that they have concluded their study and the building, or the structure appears to be sound, or at least is economically sound so that they can move and they just need our approval, and they didn't know whether they could proceed, or move ahead without our having completed our

study-- I think, based on what he has indicated, that I am ready to cast my one vote to let him move ahead and get this project underway. The City taxpayers and this City need something more tangible than we have had over the years, so that people will know that we are about the business of rebuilding and revitalizing and bringing Asbury Park back to the jewel, or gem of the shore that it once was. This could be one of the catalysts. The Convention Hall certainly is much more of my concern, because once that is done we will bring back some of those shows -- other structures, other shows, and businesses that we once had.

The Mayor indicated, and I indicated at my last Council meeting, after calling and asking you gentlemen to give us some more input because my concern was that I wanted to see this promenade opened up-- I thought that moneys could be utilized to build a substructure in there wide enough that if there would be some material that might fall, it would be deflected and people could walk through there. We need that opened up before the 12-month period talked about. It should be opened up for next summer, if not by the end of this summer.

ASSEMBLYMAN JACOBSON: Dave, just for the record -- for the transcriber -- you have to give your name and title, and spell your last name, too.

COUNCILMAN PARREOTT: It's David, middle initial "J," -- P-A-R-R-E-O-T-T -- Jr., Councilman, City of Asbury Park.

ASSEMBLYMAN JACOBSON: Thank you very much, Dave. David does have some responsibility for this hearing. He and John and I have been talking a lot about the casino project and our concerns with it, and we thought this would be a good way to address them and get things moving, which seems to be happening now.

Mayor Smith, do you have a statement? Would you like to add anything?

MAYOR SMITH: No. The only thing is, we appreciate the support we are getting from the Heritage Trust. We also appreciate those people in the Legislature that passed a bill to allow us to get this money. It is very important to Asbury Park. As you can see, the Convention Hall and the casino are really the anchors. If we can rebuild the casino and get the Convention Hall on track, we will have something going for us in Asbury Park.

ASSEMBLYMAN JACOBSON: Okay. Any other questions, John?

ASSEMBLYMAN VILLAPIANO: I have nothing.

ASSEMBLYMAN JACOBSON: Thank you very much, gentlemen.

COUNCILMAN PARREOTT: Thank you for coming.

ASSEMBLYMAN JACOBSON: Dave, do you want to give some additional testimony? I'm sorry. Dave Roberts, I mean.

MR. ROBERTS: Yes. Dan, I just wanted to add one more point. It has to do with the continuity of events between the signing of the lease and the commencement of work.

ASSEMBLYMAN JACOBSON: Again, for the record--

MR. ROBERTS: Oh, yes. For the record, Dave Roberts, City Planner, or Planning Director.

What we have done with the contract for professional services, and this is a fairly significant step, is to structure it in such a way that if the lease is signed while the structural feasibility of our professionals is taking place, the project can move right into the second phase, which would be the schematic design phase, which is when we determine what materials we are going to use, how it is going to be designed, etc., and then right into the construction document phase. So, there shouldn't be any interruption if the two things can go on independently.

What we decided to do was to basically jump start the process so we didn't have to wait for the lease to be signed before we did the structural feasibility analysis. But if the

lease is signed and the developer makes their commitment before our analysis is done, we are just going to move right into-- The architect will be authorized to move right into the design phase and the construction document phase. We expect that we could probably, within a several month period, be ready to go out to bid on construction. The critical thing at that point then will be the elements. If we have favorable weather this winter, we may be able to get the project finished by next summer, in which case--

ASSEMBLYMAN JACOBSON: So, once the -- and, Mr. Kirchgessner, if this is any different, please make sure it is consistent with your thinking -- City and the State-- The contracts are here. Apparently they will be signed today. It seems that the City is willing to sign them today. The lease, hopefully, will be signed within a couple of weeks. After the lease is signed and after the contract is signed with the State, when should the actual work begin?

MR. ROBERTS: Well, we're hoping that we can get our professional team started within the next week or so.

ASSEMBLYMAN JACOBSON: After that -- after the lease is signed?

MR. ROBERTS: No, within the next week as of today. I reviewed the contract with the City attorney yesterday. We made some modifications to it. The final draft has to be prepared. We can then sign the contract that the architect can get started on the structural analysis, and if the lease is signed during that period, he will be then authorized by the Council to proceed right into the next step. The resolution that authorized the contract specifically said that he will do the structural analysis and then he will only be authorized to proceed forward when there is a lease and a match from the redeveloper. So there is a mechanism built in that will allow him to continue right on through the contract.

ASSEMBLYMAN JACOBSON: After the lease is signed, when would you expect the actual physical work to begin on the roof?

MR. ROBERTS: That's probably a question you might want to address to our architect, Mr. Cohen, because it has to do with the time period that he would need to make those documents available for bid.

ASSEMBLYMAN JACOBSON: Okay. Why don't we have Eric up? Is he here? (affirmative response) Mr. Kirchgessner, would you like to come up, too, and add to that also, if you would? Thanks. For the record, Eric, just your title and your name.

E R I C A L L E N C O H E N: It's Eric Allen Cohen, Architect/Planner.

ASSEMBLYMAN JACOBSON: Okay. Again, the question is very simple: After the lease is signed, after the contract is signed, when does the physical work begin on the building?

MR. COHEN: Well, we anticipate a schematic design effort and the normal scope of architectural services taking a few months. I think one thing that is important to point out is that after we complete the structural analysis, since the building has several anomalies to it in terms of its structural characteristics, we are going to be able to more carefully define the appropriate scope of work. So, we are going to need some flexibility in terms of making some decisions as far as the overall scope of work and the schedule.

But, we think it is consistent with the schedule that is outlined with the Trust that Dave has helped to establish; close to perhaps 10 months to a year for the overall construction effort. We anticipate, if all of the funding is in place, to be able to go ahead within a few months to actually start the bidding process for construction documents. There are some decisions that can be made by the developer and/or the City if it is desirable to have a fast track process implemented, which would mean that we could be doing some of

the structural analysis and the in-depth preparation of structural documents and architectural documents for the trusses, and get that started; perhaps release a bid package for that, and then deal with some of the arcade issues and some of the ornamental metal fixtures, which are also part of the scope of work at a time later on, but going on simultaneously in the process.

ASSEMBLYMAN JACOBSON: So, Eric, it is about a 12-month process from start to finish.

MR. COHEN: At this juncture, that would be our best estimate.

ASSEMBLYMAN JACOBSON: And, how much of that is physical work and how much of that is schematics and bids and that type of thing? In other words, how long will it actually take once you start work on the building to complete the scope of the work? Three months, four months, two months, six months?

MR. COHEN: Again, if there are no great hidden secrets -- and we are aware of a lot of the more severe conditions in the building-- When you start to probe a little bit more carefully and start to actually get into the process, there could be some factors that protract the process somewhat, but we anticipate that once we are completed with the design and document effort, which again would be a several-month effort, to be able to get the building under construction and completed within a time frame of nine to twelve months.

ASSEMBLYMAN JACOBSON: So, the construction is nine months. I just wonder about how much the preliminary--

MR. COHEN: Well, you have to understand something. The timing is essential when we begin the project. We are going to run into a winter weather season, so we could have some significant storms that may be an encumbrance to the construction.

ASSEMBLYMAN JACOBSON: Okay. Assuming, as best you can tell-- In other words, we are going to leave here today

under the impression that there is going to be a contract signed between the State and the City. We are leaving here today under the impression that they -- as Mr. Kirchgessner has testified -- have determined that it can be done economically, and they are ready to go. We are all going to leave here with that impression. There has been three-quarters of a million dollars of State funds appropriated.

I would like to know, and I know John would like to know, and the public would like to know -- everyone is curious -- when will we see a crane, or whatever, repairing the roof, or a workman on the side working on the building, assuming the lease is signed in two weeks or so?

MR. COHEN: Well, in fairness to the process, I think once we can--

ASSEMBLYMAN JACOBSON: Your best guess, and I understand there could be contingencies.

MR. COHEN: Well, the contingency is based on the structural analysis. I think it is important, also, to point out one of the other factors involved in having our team do it: We are also seeking appropriate structural solutions that will be both cost-effective and within the spirit of the historic context of the building. We want to be able to make elective decisions. Because of the level of structural degradation that exists, we are very much concerned with the overall budget and how all of those pieces fit together. That is why, as Dave referred to, the mechanisms in the contract for pausing effectively. At the end of structural analysis, we will make a determination on the scope of the construction schedule and the budget for the structural components. If the funds are in place, we will then proceed to the next phase, which is the schematic design effort, which will give us a better overall feeling of where we stand with the quantification of a preliminary cost estimate to make sure we are on target with all of our project goals, as well as any adjustments we have to make to the construction schedule.

If all of that goes favorably within -- at this juncture-- I would say perhaps four months -- three to four months -- would be a reasonable time to complete all of the documentation, have the project ready to go to bid, and then, of course, depending on how long the bidding process is, construction can start immediately thereafter.

ASSEMBLYMAN JACOBSON: So you would say, give or take, without any other contingencies, in three or four months you can let the bids go, and after the bids are let and agreed on, the construction could begin.

MR. COHEN: Without any surprises, I think that is fair at this time.

ASSEMBLYMAN JACOBSON: So you could be talking four or five months or so. Okay.

ASSEMBLYMAN VILLAPIANO: I think in a nutshell -- and this is probably the last thing I will say -- I don't want to be sitting here on July 9 next year doing the same harangue. We brought everybody together. Everybody is here. The State has made an investment. The City has put themselves up. The City said they want to do it. The developer said they want to do it. It is economically feasible and structurally feasible. I just don't want this thing to get mired down in red tape. I don't want to be here a year from today. I hope this thing is open for next summer. That should be our goal.

MR. COHEN: But we all share the goals collectively. I think one other thing that is important to point out is, we have done a lot of preliminary work in terms of assessing the condition, just to get a good feeling on the concerns and the scope of the Trust and the City.

We all want to see this building saved and ultimately have Ocean Mile -- give Ocean Mile a suitable envelope for them to continue and achieve all of their goals as far as the redevelopment is concerned. But, as part of the process -- and this is an important issue to focus on -- there are also

historic factors that have to be considered. During this design and review period -- and we're talking about a very ambitious schedule to complete some of these goals -- the Trust still has to have input for review and compliance of the standards set forth by the Secretary of Interior, which really mandates the type of solutions that we suggest for appropriate remedies for the building.

ASSEMBLYMAN JACOBSON: The schedule, Mr. Kirchgessner-- Is that pretty much-- Would you pretty much agree with that in terms of when the work can begin, in your estimation?

MR. KIRCHGESSNER: I believe that Eric has pretty well outlined the processes that we will be waiting on to happen.

ASSEMBLYMAN JACOBSON: Okay.

MR. KIRCHGESSNER: I don't believe there is any way around it due to a granting situation -- a historical grant. We would be happier if we were moving much faster, because we would like to start it as one of the milestones on this project. Basically, I have to agree with his timetable.

ASSEMBLYMAN JACOBSON: Any other questions, John?

ASSEMBLYMAN VILLAPIANO: I'm done.

ASSEMBLYMAN JACOBSON: Thank you very much.

I would just like to wrap it up. I think we've-- Harriet, don't go anywhere, and City officials don't go anywhere, and we can get the contract signed.

The main point here, and one of the reasons John and I are so involved with this, is-- You know, we remember what happened to the St. James and Mayfair Theaters. They were basically victimized by a wrecking ball. We don't want to see that happen to the casino. That is why John and I are so aggressive on this. We will continue the oversight. This Committee does have jurisdiction over historic preservation, and the bill actually, that appropriated the money, went through this Committee, as well as through John's

Appropriations Committee. We pledge to all of you that we will continue our oversight of this project.

Today we seem to have made some progress. However, in my questioning about when the work will actually begin-- That basically underscores my concern that I want to see the work physically started more than anything else. So we will just keep going on it. We will be watching when the cranes come out, when the workmen come out, and we hope you can keep to that schedule.

Thank you very much. The meeting is adjourned.

(HEARING CONCLUDED)

