

PUBLIC HEARING

before

SENATE STATE GOVERNMENT, FEDERAL AND

INTERSTATE RELATIONS AND VETERANS' AFFAIRS COMMITTEE

and

ASSEMBLY INDEPENDENT AUTHORITIES AND COMMISSIONS COMMITTEE

on

SENATE BILL 2516 AND ASSEMBLY BILL 3000

(Permits the Sports and Exposition Authority
to acquire lands and participate in certain ventures)

Held:
December 12, 1984
Council Chambers
Municipal Building
Bloomfield, New Jersey

MEMBERS OF SENATE COMMITTEE PRESENT:

Senator Wynona M. Lipman, Chairman
Senator Richard D. Codey
Senator Gerald Cardinale
Senator Donald T. DiFrancesco

MEMBERS OF ASSEMBLY COMMITTEE PRESENT:

Assemblyman Buddy Fortunato, Chairman
Assemblyman Guy F. Muziani
Assemblyman William P. Schuber

ALSO PRESENT:

Senate President Carmen A. Orechio
Assembly Speaker Alan J. Karcher
Assemblyman Robert P. Hollenbeck

Wayne L. Bockelman
Office of Legislative Services
Aide, Assembly Independent Authorities
and Commissions Committee

Joseph P. Capalbo, Research Associate
Office of Legislative Services
Aide, Senate State Government, Federal and
Interstate Relations and Veterans' Affairs Committee

974.00

12/2

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| Carmen A. Orechio President of the New Jersey Senate District 30 | 1 |
| Alan J. Karcher Speaker of the New Jersey General Assembly District 19 | 4 |
| Jon F. Hanson Chairman New Jersey Sports and Exposition Authority Department of Community Affairs | 7 |
| Robert Mulcahy III Executive Director New Jersey Sports and Exposition Authority Department of Community Affairs | 10 |
| Michael DeAngelis Judge Rose Guthrie Alexander and Ferdon Bond Counsel for the New Jersey Sports and Exposition Authority | 35 |
| Gerald McCann Mayor Jersey City, New Jersey | 58 |
| John Q. Adams Chairman Coordinating Committee of the Food Industry | 62 |
| Dominick Casamassina Executive Director Hackensack Meadowlands Municipal Committee | 65 |
| Michael Faigen Attorney for Garden State Park | 69 |
| Robert E. Brennan Chairman Garden State Park | 70 |

TABLE OF CONTENTS (continued)

Page

APPENDIX:

Statement submitted by
Peter Shapiro
Executive Director
County of Essex

1x

* * * * *

tm: 1-39
jb: 40-62
cw: 63-85

ASSEMBLY, No. 3000
STATE OF NEW JERSEY

INTRODUCED DECEMBER 6, 1984

By Assemblymen KARCHER, HARDWICK, MARKERT, KAVANAUGH, HENDRICKSON, HAYTAIAN, KOSCO, PALAIA, BOCCO, KERN, FELICE, PENN, BENNETT, VILLANE, Assemblywoman MUHLER, Assemblymen ZECKER, MILLER, ROD, CHINNICI, MUZIANI, Assemblywomen OGDEN, COOPER, Assemblymen SCHUBER and LOVEYS

AN ACT concerning the New Jersey Sports and Exposition Authority and amending P. L. 1971, c. 137.

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

3 1. Section 2 of P. L. 1971, c. 137 (C. 5:10-2) is amended to read
4 as follows:

5 2. The Legislature hereby finds and declares that the general
6 welfare, health and prosperity of the people of the State will be
7 promoted by the holding of athletic contests, horse racing and other
8 spectator sporting events and of trade shows and other expositions
9 in the State; that in order to induce professional athletic teams,
10 particularly major league football and baseball teams, to locate
11 their franchises in the State, it is necessary to provide stadiums and
12 related facilities for the use of such teams, in addition to the facili-
13 ties for horse racing and other spectator sporting events and to
14 undertake the projects herein described; that such [stadiums and
15 other facilities would also accommodate other events and serve
16 other uses which] projects would provide needed recreation,
17 forums and expositions for the public.

18 It is hereby further found and declared that additional facilities
19 are needed in the State to accommodate trade shows and other ex-

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

18 positions in order to promote industry and development in the State
19 and provide a forum for public events.

20 The Legislature further finds and declares that the location of
21 a sports and exposition complex in the Hackensack meadowlands
22 would stimulate the needed development of said meadowlands.

23 The Legislature has determined that to provide for the *projects*,
24 including the establishment and operation of the needed stadiums
25 and other facilities for the holding of such spectator sports, exposi-
26 tions and other public events and uses, a corporate agency of the
27 State shall be created with the necessary powers to accomplish
28 these purposes.

29 The Legislature further finds that the authority and powers
30 conferred under this act and the expenditure of public moneys
31 pursuant thereto constitutes a serving of a valid public purpose
32 and that the enactment of the provisions hereinafter set forth is
33 in the public interest and is hereby so declared to be such as a
34 matter of express legislative determination.

1 2. Section 3 of P. L. 1971, c. 137 (C. 5:10-3) is amended to read
2 as follows:

3 3. The following words or terms as used in this act shall have
4 the following meaning unless a different meaning clearly appears
5 from the context:

6 a. "Act" means this New Jersey Sports and Exposition Au-
7 thority Law.

8 b. "Authority" means the New Jersey Sports and Exposition
9 Authority created by section 4 of the act.

10 c. "Bonds" means bonds issued by the authority pursuant to
11 this act.

12 d. "Meadowlands complex" means the sports and exposition
13 project authorized by *paragraph (1) of subsection a. of section 6 of*
14 *the act.*

15 e. "Notes" means notes issued by the authority pursuant to the
16 act.

17 f. **["Project"]** *"Projects" means [the meadowlands complex]*
18 *and includes any project which the authority is authorized to*
19 *undertake pursuant to paragraphs 1 through 7 of subsection a. of*
20 *section 6 of P. L. 1971, c. 137 (C. 5:10-6).*

21 g. "State" means the State of New Jersey.

22 h. "Hackensack meadowlands" means the Hackensack Meadow-
23 lands District as delineated in P. L. 1968, c. 404, s. 4 (C. 13:17-4).

24 i. "Meadowlands Commission" means the Hackensack Meadow-
25 lands Development Commission created by P. L. 1968, c. 404.

26 j. "Racing Commission" means the New Jersey Racing Commis-
27 sion created by P. L. 1940, c. 17.

28 k. "Credit agreement" means loan agreement, revolving credit
29 agreement, agreement establishing a line of credit, letter of credit,
30 reimbursement agreement, insurance contract, surety bond, com-
31 mitment to purchase bonds, purchase or sale agreements, or com-
32 mitments or other contracts or agreements authorized and
33 approved by the authority in connection with the authorization,
34 issuance, security, or payment of bonds.

1 3. Section 5 of P. L. 1971, c. 137 (C. 5:10-5) is amended to read
2 as follows:

3 5. Except as otherwise limited by the act, the authority shall have
4 power:

5 a. To sue and be sued;

6 b. To have an official seal and alter the same at pleasure;

7 c. To make and alter bylaws for its organization and internal
8 management and for the conduct of its affairs and business:

9 d. To maintain an office at such place or places within the State
10 as it may determine;

11 e. To acquire, hold, use and dispose of its income, revenues, funds
12 and moneys;

13 f. To acquire, lease as lessee or lessor, rent, lease, hold, use and
14 dispose of real or personal property for its purposes;

15 g. To borrow money and to issue its negotiable bonds or notes and
16 to secure the same by a mortgage on its property or any part
17 thereof, and to enter into any credit agreement, and otherwise to
18 provide for and secure the payment ~~thereof~~ of its bonds and notes
19 and to provide for the rights of the holders thereof;

20 h. To make and enter into all contracts, leases, and agreements
21 for the use or occupancy of ~~the project~~ its projects or any part
22 thereof or which are necessary or incidental to the performance of
23 its duties and the exercise of its powers under the act;

24 i. To make surveys, maps, plans for, and estimates of the cost of,
25 ~~the project~~ its projects:

26 j. To establish, acquire, construct, lease the right to construct,
27 rehabilitate, repair, improve, own, operate, and maintain ~~the proj-~~
28 ~~ect~~ its projects, and let, award and enter into construction con-
29 tracts, purchase orders and other contracts with respect thereto in
30 such manner as the authority shall determine, subject only to the
31 provisions of ~~section 21 of the act~~ sections 1 through 3 of P. L.
32 1981, c. 447 (C. 5:10-21.1 through 5:10-21.3);

33 k. To fix and revise from time to time and charge and collect
34 rents, tolls, fees and charges for the use, occupancy or services of
35 ~~the project~~ its projects or any part thereof or for admission

36 thereto, and for the grant of concessions therein and for things
37 furnished or services rendered by the authority;

38 l. To establish and enforce rules and regulations for the use or
39 operation of [the project] *its projects* or the conduct of its activ-
40 ities, and provide for the policing and the security of [the project]
41 *its projects*;

42 m. To acquire in the name of the authority by purchase or other-
43 wise, on such terms and conditions and in such manner as it may
44 deem proper, or, except with respect to the State, by the exercise of
45 the power of eminent domain, any land and other property, in-
46 cluding land under water, meadowlands, and riparian rights, which
47 it may determine is reasonably necessary for [the project] *any of*
48 *its projects* or for the relocation or reconstruction of any highway
49 by the authority and any and all rights, title and interest in such
50 land and other property, including public lands, reservations, high-
51 ways or parkways, owned by or in which the State or any county,
52 city, borough, town, township, village, public corporation, or other
53 political subdivision of the State has any right, title or interest, or
54 parts thereof or rights therein and any fee simple absolute or any
55 lesser interest in private property, and any fee simple absolute in,
56 easements upon or the benefit of restrictions upon, abutting prop-
57 erty to preserve and protect [the] *any* project;

58 n. To provide through its employees, or by the grant of one or
59 more concessions, or in part through its employees and in part by
60 grant of one or more concessions, for the furnishing of services and
61 things for the accommodation of persons admitted to or using [the
62 project] *its projects or any part thereof*;

63 o. To hold and conduct horse race meetings for stake, purse or
64 reward and to provide and operate a parimutuel system of wager-
65 ing at such meetings but subject only to the provisions of section 7
66 of the act;

67 p. To acquire, construct, operate, maintain, improve, and make
68 capital contributions to others for, transportation and other facili-
69 ties, services and accommodations for the [public using the project]
70 *public's use of its projects* and to lease or otherwise contract for the
71 operation thereof;

72 q. Subject to any agreement with bondholders or noteholders, to
73 invest moneys of the authority not required for immediate use, in-
74 cluding proceeds from the sale of any bonds or notes, in such obli-
75 gations, securities and other investments as the authority shall
76 deem prudent;

77 r. To contract for and to accept any gifts or grants or loans of
78 funds or property or financial or other aid in any form from the

79 United States of America or any agency or instrumentality thereof,
80 or from the State or any agency, instrumentality or political sub-
81 division thereof, or from any other source and to comply, subject to
82 the provisions of the act, with the terms and conditions thereof:

83 s. Subject to any agreements with bondholders or noteholders, to
84 purchase bonds or notes of the authority out of any funds or money
85 of the authority available therefor, and to hold, cancel or resell such
86 bonds or notes;

87 t. To appoint and employ an executive director, who shall be the
88 chief executive officer, and such additional officers, who need not
89 be members of the authority, and accountants, attorneys, financial
90 advisors or experts and all such other or different officers, agents
91 and employees as it may require and to determine their qualifica-
92 tions, terms of office, duties and compensation, all without regard to
93 the provisions of Title 11, Civil Service, of the Revised Statutes,
94 provided that, it is the express intent of the Legislature that the au-
95 thority within its sole discretion shall utilize, to the fullest extent
96 feasible, the services of the officers, personnel and consultants of the
97 Meadowlands Commission in connection with its project in the
98 meadowlands complex;

99 u. To do and perform any acts and things authorized by the act
100 under, through, or by means of its officers, agents or employees or
101 by contracts with any person, firm or corporation;

102 v. To procure insurance against any losses in connection with its
103 property, operations or assets in such amounts and from such in-
104 surers as it deems desirable;

105 w. To do any and all things, including, but not limited to, the
106 creation or formation of profit or not for profit corporations
107 necessary or convenient to carry out its purposes and exercise the
108 powers given and granted in the act; and

109 x. To determine the location, type and character of [the] a
110 project or any part thereof and all other matters in connection with
111 all or any part of [the] a project, notwithstanding any land use
112 plan, zoning regulation, building code or similar regulation hereto-
113 fore or hereafter adopted by the State, any municipality, county,
114 public body politic and corporate, including but not limited to the
115 Meadowlands Commisison, or any other political subdivision of the
116 State, provided that the authority shall consult with the Meadow-
117 lands Commission before making any determination as to the loca-
118 tion, type and character of [the] any project under the jurisdiction
119 of the Meadowlands Commission.

1 4. Section 6 of P. L. 1971, c. 137 (C. 5:10-6) is amended to read
2 as follows:

3 6. a. The authority, pursuant to the provisions of the act, is
4 hereby authorized and empowered **[to]**, *either alone or in conjunc-*
5 *tion with others, and provided that, in the case of an arrangement*
6 *with respect to any of the projects set forth in this section which*
7 *shall be in conjunction with others, the authority shall have suffi-*
8 *cient right and power to carry out the public purposes set forth in*
9 *this act:*

10 (1) *To establish, develop, construct, operate, acquire, own,*
11 *manage, promote, maintain, repair, reconstruct, restore, improve*
12 *and otherwise effectuate, either directly or indirectly through*
13 *lessees, licensees or agents, a project to be located in the Hacken-*
14 *sack meadowlands upon a site not to exceed 750 acres and upon a*
15 *site or sites outside of that acreage, but either immediately con-*
16 *tiguous thereto or immediately across any public road which*
17 *borders that acreage, consisting of one or more stadiums, coliseums,*
18 *arenas, pavilions, stands, field houses, playing fields, recreation*
19 *centers, courts, gymnasiums, club houses, a race track for the hold-*
20 *ing of horse race meetings, and other buildings, structures,*
21 *facilities, properties and appurtenances related to, incidental [and]*
22 *to, necessary for, or complementary to, a complex suitable for the*
23 *holding of athletic contests or other sporting events, or trade*
24 *shows, exhibitions, spectacles, public meetings, entertainment*
25 *events or other expositions, [and such project may include] includ-*
26 *ing, but not limited to, driveways, roads, approaches, parking areas,*
27 *parks, recreation areas, [food] lodging facilities, vending facilities,*
28 *restaurants, transportation structures, systems and facilities, and*
29 *equipment, furnishings, and all other structures and appurtenant*
30 *facilities related to, incidental to, necessary for, or complementary*
31 *to, the purposes of [the] that project or any facility thereof. [As*
32 *part of the project the authority is empowered to make capital*
33 *contributions to others for transportation and other facilities, and*
34 *accommodations for the public using the project. Any part of the*
35 *project site not occupied or to be occupied by facilities of the*
36 *project may be leased by the authority for purposes determined by*
37 *the authority to be consistent with or related to the purposes of the*
38 *project, including but not limited to hotels and other accommoda-*
39 *tions for transients and other facilities related or incidental to the*
40 *project.]*

41 (2) *To establish, develop, construct, acquire, own, operate,*
42 *manage, promote, maintain, repair, reconstruct, restore, improve*
43 *and otherwise effectuate, either directly or indirectly through*
44 *lessees, licensees or agents, a project, at a site within the State of*
45 *New Jersey but outside of the meadowlands complex, consisting of*

46 a baseball stadium and other buildings, structures, facilities, prop-
47 erties and appurtenances related thereto, or incidental to, necessary
48 for, or complementary to, a complex suitable for the holding of
49 professional baseball games and other athletic contests or sporting
50 events, or trade shows, exhibitions, spectacles, public meetings,
51 entertainment events or other expositions, such project to include
52 driveways, roads, approaches, parking areas, parks, recreation
53 areas, vending facilities, restaurants, transportation structures,
54 systems and facilities, and equipment, furnishings and all other
55 structures and appurtenant facilities related to, incidental to,
56 necessary for, or complementary to, the purposes of that project or
57 any facility thereof.

58 (3) To establish, develop, construct, acquire, own, operate,
59 manage, promote, maintain, repair, reconstruct, restore, improve
60 and otherwise effectuate, either directly or indirectly through
61 lessees, licensees, or agents, a project, at a site within the State of
62 New Jersey but outside of the meadowlands complex, consisting of
63 an aquarium and the buildings, structures, facilities, properties and
64 appurtenances related thereto, or incidental to, necessary for, or
65 complementary to, that aquarium, such project to include drive-
66 ways, roads, approaches, parking areas, parks, recreation areas,
67 vending facilities, restaurants, transportation structures, systems
68 and facilities, and equipment, furnishings and all other structures
69 and appurtenant facilities related to, incidental to, necessary for,
70 or complementary to, the purposes of that project or any facility
71 thereof.

72 (4) To establish, develop, construct, acquire, own, operate,
73 manage, promote, maintain, repair, reconstruct, restore, improve
74 and otherwise effectuate, either directly or indirectly through
75 lessees, licensees or agents, a project consisting of a convention
76 center or hotel complex, at a site within the State of New Jersey
77 and either (a) within the meadowlands complex or (b) outside of
78 the meadowlands complex, but either immediately contiguous
79 thereto or immediately across any public road which borders the
80 meadowlands complex, including any buildings, structures, prop-
81 erties and appurtenances related thereto, incidental thereto,
82 necessary therefor, or complementary thereto, such project to in-
83 clude driveways, roads, approaches, parking areas, parks, recrea-
84 tion areas, vending facilities, restaurants, transportation struc-
85 tures, systems, and equipment, furnishings and all other structures
86 and appurtenances related to, incidental to, necessary for, or com-
87 plementary to, the purposes of that project.

88 (5) To establish, develop, construct, acquire, own, operate, †

89 manage, promote, maintain, repair, reconstruct, restore, improve
90 and otherwise effectuate, either directly or indirectly through
91 lessees, licensees or agents, projects consisting of (a) race track
92 facilities located within the State of New Jersey but outside of the
93 meadowlands complex, (b) their contiguous properties and (c)
94 their auxiliary facilities, including, without limitation, pavilions,
95 stands, field houses, club houses, training tracks for horses, race
96 tracks for the holding of horse race meetings, fairgrounds, other
97 exposition facilities, and other buildings, structures, facilities,
98 properties and appurtenances related to, incidental to, necessary
99 for, or complementary to, a complex suitable for the holding of
100 horse race meetings, other sporting events, or trade shows, exhibi-
101 tions, spectacles, public meetings, entertainment events or other
102 expositions, including, but not limited to, driveways, roads, ap-
103 proaches, parking areas, parks, recreation areas, lodging facilities,
104 vending facilities, restaurants, transportation structures, systems
105 and facilities, equipment, furnishings, and all other structures and
106 appurtenant facilities related to, incidental to, necessary for, or
107 complementary to, the purposes of any of those projects or any
108 facility thereof.

109 Notwithstanding any law to the contrary, the acquisition of any
110 existing racetrack facility in and licensed by the State of New
111 Jersey shall be permitted on the condition that payments equivalent
112 to all municipal, school board and county taxes due to each entity
113 shall be paid by the authority to the extent, and in accordance with
114 the same payment schedule, as taxes would have been paid each
115 year as though the racetrack facility remained in private owner-
116 ship. In the event the authority conveys lands or other parts of the
117 racetrack facility to others, the authority shall receive a reduction
118 of such payments commensurate with the amount required to be
119 paid by the subsequent owner of the lands and improvements dis-
120 posed of by the authority. In addition, the authority shall be
121 responsible for paying all existing local franchise fees, license and
122 parking tax fees in effect at the time of the acquisition.

123 (6) To establish, develop, acquire, own, operate, manage, promote
124 and otherwise effectuate, in whole or in part, either directly or in-
125 directly through lessees, licensees or agents, projects consisting of
126 events, expositions, teams, team franchises or membership in pro-
127 fessional sports leagues.

128 (7) To establish, develop, construct, acquire, own, operate,
129 manage, promote, maintain, repair, reconstruct, restore, improve
130 and otherwise effectuate, either directly or indirectly through
131 lessees, licensees or agents, projects consisting of facilities, at a

132 site or sites within the State of New Jersey and either within or
133 without the meadowlands complex, that are related to, incidental to,
134 necessary for, or complementary to, the accomplishment or purpose
135 of any project of the authority authorized by this section, including
136 any buildings, structures, properties and appurtenances related
137 thereto, incidental thereto, necessary therefor, or complementary
138 thereto, such projects to include driveways, roads, approaches,
139 parking areas, parks, recreation areas, vending facilities, restau-
140 rants, transportation structures, systems, and equipment, furnish-
141 ings and all other structures and appurtenances related to, inci-
142 dental to, necessary for, or complementary to, the purposes of those
143 projects.

144 b. The authority, pursuant to the provisions of the act, is au-
145 thorized (1) to make, as part of any of the projects, capital contribu-
146 tions to others for transportation and other facilities, and accom-
147 modations for the public's use of any of those projects, (2) to lease
148 any part of any of those project sites not occupied or to be occupied
149 by the facilities of any of those projects for purposes determined
150 by the authority to be consistent with or related to the purposes of
151 those projects, including but not limited to hotels and other accom-
152 modations for transients and other facilities related to or in-
153 cidental to any of those projects, and (3) to sell or dispose of any
154 real or personal property, including, but not limited to, such portion
155 of the site of any of those projects not occupied or to be occupied
156 by the facilities of any of those projects.

157 [h.] c. Revenues, moneys or other funds, if any, derived from the
158 operation or ownership of the meadowlands complex, including the
159 conduct of horse race meetings, shall be applied in accordance with
160 the resolution or resolutions authorizing or relating to the issuance
161 of bonds or notes of the authority to the following purposes and
162 in the following order:

163 (1) The costs of operation and maintenance of the meadowlands
164 complex and reserves therefor;

165 (2) Principal, sinking fund installments and redemption pre-
166 miums of and interest on any bonds or notes of the authority issued
167 for the purposes of the meadowlands complex or for the purpose
168 of refunding the same, including reserves therefor;

169 (3) The costs of any major or extraordinary repairs, renewals
170 or replacements with respect to the meadowlands complex or
171 incidental improvements thereto not paid pursuant to paragraph
172 (1) above, including reserves therefor;

173 (4) Payments required to be made pursuant to section 18b;

174 (5) Payments authorized to be made pursuant to section 18c;
175 (6) *Payments required to be made in accordance with the resolu-*
176 *tion authorizing or relating to the issuance of bonds or notes of the*
177 *authority for the purposes of any project authorized by this 1984*
178 *amendatory act;*

179 [(6)] (7) The balance remaining after application in accordance
180 with the above shall be deposited in the General State Fund[, pro-
181 vided that (a) there shall be appropriated for authorized State
182 purposes from the amounts so deposited that amount which shall be
183 calculated by the State Treasurer to be the debt service savings
184 realized with respect to the refinancing of the initial project as
185 defined in P. L. 1973, c. 286, § 1 (C. 5:10-14.1) at the meadowlands
186 complex by the issuance of bonds of the authority guaranteed by
187 the State,] and [(b) after such appropriation,] 40% of [any
188 balance remaining from the] all amounts so deposited shall be
189 appropriated to the Meadowlands Commission for any of its
190 purposes authorized by P. L. 1968, c. 404, and any amendments or
191 supplements thereto.

192 d. *Revenues, moneys or other funds, if any, derived from the*
193 *operation or ownership of any project other than the meadowlands*
194 *complex shall be applied for such purposes, in such manner and*
195 *subject to such conditions as shall be provided in the resolution*
196 *authorizing or relating to the issuance of bonds or notes of the*
197 *authority for the purposes of such project, and the balance, if any,*
198 *remaining after such application shall be deposited in the General*
199 *Fund.*

1 5. Section 7 of P. L. 1971, c. 137 (C. 5:10-7) is amended to read
2 as follows:

3 7. a. The authority is hereby authorized, licensed and empowered
4 to apply to the Racing Commission for a permit or permits to hold
5 and conduct, [as part of the Meadowlands complex], *at any of the*
6 *projects set forth in paragraphs (1) and (5) of subsection a. of*
7 *section 6 of P. L. 1971, c. 137 (C. 5:10-6), horse race meetings for*
8 *stake, purse or reward, and to provide a place or places on the race*
9 *meeting grounds or enclosure for wagering by patrons on the result*
10 *of such horse races by the parimutuel system, and to receive charges*
11 *and collect all revenues, receipts and other sums from the owner-*
12 *ship and operation thereof; provided that only the authority*
13 *through its employees shall conduct such horse race meetings and*
14 *wagering and the authority is expressly prohibited from placing in*
15 *the control of any other person, firm or corporation the conduct of*
16 *such horse race meetings, or wagering.*

17 b. Except as otherwise provided in this section, such horse race

18 meetings and parimutuel wagering shall be conducted by the
19 authority in the manner and subject to compliance with the
20 standards set forth in P. L. 1940, c. 17 (C. 5:5-22 et seq.) and the
21 rules, regulations and conditions prescribed by the Racing Commis-
22 sion thereunder for the conduct of horse race meetings and for pari-
23 mutuel betting at such meetings.

24 c. Application for said permit or permits shall be on such forms
25 and shall include such accompanying data as the Racing Commis-
26 sion shall prescribe for other applicants. The Racing Commission
27 shall proceed to review and act on any such application within
28 30 days after its filing and the Racing Commission is authorized
29 in its sole discretion to determine whether a permit shall be granted
30 to the authority. If, after such review, the Racing Commission acts
31 favorably on such application, a permit shall be granted to the
32 authority without any further approval and shall remain in force
33 and effect so long as any bonds or notes of the authority [issued for
34 the purposes of the Meadowlands complex] remain outstanding,
35 the provision of any other law to the contrary notwithstanding.
36 In granting a permit to the authority to conduct a horse race meet-
37 ing, the Racing Commission shall not be subject to any limitation as
38 to the number of tracks authorized for the conduct of horse race
39 meetings pursuant to any provision of P. L. 1940, c. 17 (C. 5:5-22
40 et seq.). Said permit shall set forth the dates to be allotted to the
41 authority for its initial horse race meetings. Thereafter application
42 for dates for horse race meetings by the authority and the allotment
43 thereof by the Racing Commission, including the renewal of the
44 same dates theretofore allotted, shall be governed by the applicable
45 provisions of P. L. 1940, c. 17 (C. 5:5-22 et seq.). Notwithstanding
46 the provision of any other law to the contrary, the Racing Commis-
47 sion shall allot annually to the authority (1) *for the meadowlands*
48 *complex*, in the case of harness racing, not less than 100 racing days,
49 and in the case of running racing, not less than 56 racing days, if
50 and to the extent that application is made therefor, and (2) *for any*
51 *other project set forth in paragraph (5) of subsection a. of section*
52 *6 of P. L. 1971, c. 137 (C. 5:10-6), not less than that number of days*
53 *for harness racing and for running racing that shall have been*
54 *determined by the authority, prior to the issuance of any bonds or*
55 *notes for such project, to be necessary in order to secure such bonds*
56 *or notes and provide for the payment of costs or expenses in con-*
57 *nection with such project, including reserves therefor, if and to the*
58 *extent that application is made therefor.*

59 d. No hearing, referendum or other election or proceeding, and
60 no payment, surety or cash bond or other deposit, shall be required

61 for the authority to hold or conduct the horse race meetings with
62 parimutuel wagering herein authorized.

63 e. The authority shall determine the amount of the admission fee
64 for the races and all matters relating to the collection thereof.

65 f. Distribution of sums deposited in parimutuel pools to winners
66 thereof shall be in accordance with the provisions of section 44 of
67 P. L. 1940, c. 17 (C. 5:5-64) pertaining thereto. The authority shall
68 make disposition of the deposits remaining undistributed as
69 follows:

70 (1) In the case of harness races:

71 (a) Hold and set aside in an account designated as a special trust
72 account 1% of such total contributions in all pools to be used and
73 distributed as hereinafter provided and as provided in section 5 of
74 P. L. 1967, c. 40, for the following purposes and no other:

75 (i) 42½% thereof to increase purses and grant awards for
76 starting horses as provided or as may be provided by rules of
77 the New Jersey Racing Commission with payment to be made
78 in the same manner as payment of other purses and awards;

79 (ii) 49% thereof for the establishment of a Sire Stakes Pro-
80 gram for standardbred horses with payment to be made to the
81 Department of Agriculture for administration as hereinbefore
82 provided;

83 (iii) 5½% thereof for contributions and awards designed to
84 improve and promote the standardbred breeding industry in
85 New Jersey through payment of awards to owners and breeders
86 of New Jersey bred horses which are registered with the
87 Standardbred Breeders' and Owners' Association of New
88 Jersey and which earn portions of purses in open events on
89 New Jersey tracks, and to owners of stallions posted on the
90 official stallions roster of the Standardbred Breeders' and
91 Owners' Association of New Jersey which sire such registered
92 New Jersey bred money earners;

93 (iv) 3% thereof for other New Jersey horse breeding and
94 promotion conducted by the New Jersey Department of Agri-
95 culture.

96 Payment of the sums held and set aside pursuant to subpara-
97 graphs (iii) and (iv) shall be made to the commission every seventh
98 day of any and every race meeting in the amount then due as de-
99 termined in the manner provided above, and shall be accompanied
100 by a report under oath showing the total of all such contributions,
101 together with such other information as the commission may re-
102 quire.

103 (b) Distribute as purse money and for programs designed to aid
104 the horsemen and the Standardbred Breeders' and Owners' Asso-
105 ciation of New Jersey 5% of such total contribution. Expenditures
106 for programs designed to aid the horsemen and the Standardbred
107 Breeders' and Owners Association of New Jersey shall not exceed
108 3.5% of the sum available for distribution as purse money. The
109 formula for distribution of the purse money as either overnight
110 purses or special stakes shall be determined by an agreement
111 between the Standardbred Breeders' and Owners' Association of
112 New Jersey and the authority. Notwithstanding the foregoing, for
113 pools where the patron is required to select two or more horses,
114 the authority shall distribute as purse money 5.5% of the total
115 contributions and for pools where the patron is required to select
116 three or more horses, the authority shall distribute as purse money
117 7% of the total contributions. Notwithstanding the foregoing, for
118 pools where a patron is required to select three or more horses, the
119 authority shall retain out of the 7% to be distributed as purse
120 money, a sum deemed necessary by the racing commission, for use
121 by the commission to finance a prerace blood testing program, and
122 such other testing programs which the commission shall deem
123 proper and necessary and which shall be subject to the regulation
124 and control of said commission.

125 (2) In the case of running races:

126 (a) Hold and set aside in an account designated as a special trust
127 account 15% of 1% of such total contributions to be used and
128 distributed as hereinafter provided and as provided in section 5
129 of P. L. 1967, c. 40, for the following purposes and no other:

130 (i) 10% of 1% thereof for contributions and awards designed
131 to improve and promote the thoroughbred breeding industry
132 in New Jersey through payment of awards to owners and
133 breeders of registered New Jersey bred horses which earn por-
134 tions of purses in open events on New Jersey tracks, and to
135 owners of stallions posted on the official stallion rosters of the
136 Thoroughbred Breeders' Association of New Jersey which sire
137 such registered New Jersey bred money earners;

138 (ii) 5% of 1% thereof for State horse breeding and develop-
139 ment programs, research, fairs, horse shows, youth activities,
140 promotion and administration.

141 (b) Distribute as purse money and for programs designed to aid
142 the horsemen and the New Jersey Horsemen's Benevolent and
143 Protective Association 4.24% of such total contributions. Expendi-
144 tures for programs designed to aid the horsemen and the New
145 Jersey Horsemen's Benevolent and Protective Association shall not

146 exceed 2.9% of the sum available for distribution as purse money.
147 The formula for distribution of the purse money as either over-
148 night purses or special stakes shall be determined by an agreement
149 between the New Jersey Horsemen's Benevolent and Protective
150 Association and the authority. Notwithstanding the foregoing, for
151 pools where the patron is required to select three or more horses,
152 the authority shall distribute as purse money 7.24% of the total
153 contributions.

154 (c) For pools where a patron is required to select three or more
155 horses, 50% to 1% of the total contributions shall be held and set
156 aside in the special trust account established pursuant to section
157 46 b. (1) (e) and 46 b. (2) (e) of P. L. 1940, c. 17 (C. 5:5-66).

158 Payment of the sums held and set aside pursuant to subpara-
159 graphs (a) and (c) of this subsection shall be made to the commis-
160 sion every seventh day of any and every race meeting in the amount
161 then due as determined in the manner provided above, and shall be
162 accompanied by a report under oath showing the total of all such
163 contributions, together with such other information as the commis-
164 sion may require.

165 In addition, as an initial payment to the State, an amount equal
166 to $\frac{1}{2}$ of 1% of all parimutuel pools shall be deposited annually in
167 the General State Fund. All amounts remaining in parimutuel
168 pools, including the breaks, after such distribution and payments
169 shall constitute revenues of the authority. Except as otherwise
170 expressly provided in this section 7, the authority shall not be re-
171 quired to make any payments to the Racing Commission or others
172 in connection with contributions to parimutuel pools.

173 In the event that a written agreement between the authority and
174 the respective horsemen's associations shall require the distribution
175 of additional sums of money to increase purses or contributions to
176 the special trust accounts hereinabove provided or both, any such
177 distribution to be made in the year 1981 shall be made by the au-
178 thority only from, and to the extent of, available moneys from the
179 preceding year set aside for such purpose after application of the
180 authority's revenues, moneys or other funds as provided in sub-
181 section [b.] c. (1), (2), (3), (4) [and], (5), (6) and (7) of section 6
182 of P. L. 1971, c. 137.

183 g. All sums held by the authority for payment of outstanding
184 parimutuel tickets not claimed by the person or persons entitled
185 thereto within the time provided by law shall be paid to the Racing
186 Commission upon the expiration of such time without further
187 obligation to such ticketholder.

188 h. No admission or amusement tax, excise tax, license or horse

189 racing fee of any kind shall be assessed or collected from the author-
190 ity by the State of New Jersey, or by any county or municipality, or
191 by any other body having power to assess or collect license fees or
192 taxes.

193 i. Any horse race meeting and the parimutuel system of wager-
194 ing upon the result of horse races held as such race meeting shall
195 not under any circumstances, if conducted as provided in the act
196 and in conformity thereto, be held or construed to be unlawful,
197 other statutes of the State to the contrary notwithstanding.

198 j. Each employee of the authority engaged in the conducting of
199 horse race meetings shall obtain the appropriate license from the
200 Racing Commission subject to the same terms and conditions as is
201 required of similar employees of other permit holders. The Racing
202 Commission may suspend any member of the authority upon ap-
203 proval of the Governor and the license of any employee of the au-
204 thority in connection with the conducting of horse race meetings
205 pending a hearing by the Racing Commission for any violation of
206 the New Jersey laws regulating horse racing or any rule or regula-
207 tion of the commission. Such hearing shall be held and conducted
208 in the manner provided in said laws.

1 6. Section 8 of P. L. 1971, c. 137 (C. 5:10-8) is amended to read
2 as follows:

3 8. a. If the authority shall find it necessary in connection with
4 the undertaking of ~~the project~~ *any of its project* to change the
5 location of any portion of any public highway or road, it may
6 contract with any government agency~~],~~ or public or private
7 corporation, which may have jurisdiction over said public highway
8 or road, to cause said public highway or road to be constructed at
9 such location as the authority *shall deem most favorable and, as to*
10 *its project in the meadowlands complex*, in consultation with the
11 Meadowlands Commission ~~[shall deem most favorable]~~. The cost
12 of such reconstruction and any damage incurred in changing the
13 location of any such highway shall be ascertained and paid by the
14 authority as a part of the cost of ~~the~~ *any* project. Any public
15 highway affected by the construction of ~~the~~ *a* project may be
16 vacated or relocated by the authority in the manner now provided
17 by law for the vacation or relocation of public roads, and any
18 damages awarded on account thereof shall be paid by the authority
19 as part of the cost of the project. In all undertakings authorized by
20 this subsection the authority shall consult and obtain the approval
21 of the New Jersey Department of Transportation.

22 b. In addition to the foregoing powers the authority and its
23 authorized agents and employees may enter upon any lands, waters

24 and premises for the purpose of making surveys, soundings, drill-
 25 ings and examinations as it may deem necessary or convenient for
 26 the purposes of the act, all in accordance with due process of law,
 27 and such entry shall not be deemed a trespass nor shall an entry
 28 for such purpose be deemed an entry under any condemnation
 29 proceedings which may be then pending. The authority shall make
 30 reimbursement for any actual damages resulting to such lands,
 31 waters and premises as a result of such activities.

32 c. The authority shall also have power to make reasonable reg-
 33 ulations for the installation, construction, maintenance, repair,
 34 renewal, relocation and removal of tracks, pipes, mains, conduits,
 35 cables, wires, towers, poles and other equipment and appliances
 36 (herein called "public utility facilities") of any public utility as de-
 37 fined in R. S. 48:2-13, in, on, along, over or under [the] a project.
 38 Whenever the authority shall determine that it is necessary that any
 39 such public utility facilities which now are, or hereafter may be,
 40 located in, on, along, over or under [the] a project shall be relocated
 41 in the project, or should be removed therefrom, the public utility
 42 owning or operating such facilities shall relocate or remove the
 43 same in accordance with the order of the authority; provided, how-
 44 ever, that the cost and expenses of such relocation or removal,
 45 including the cost of installing such facilities in a new location, or
 46 new locations, and the cost of any lands, or any rights or interests
 47 in lands, and any other rights, acquired to accomplish such reloca-
 48 tion or removal, shall be ascertained and paid by the authority as a
 49 part of the cost of [the] any project. In case of any such relocation
 50 or removal of facilities, as aforesaid, the public utility owning or
 51 operating the same, its successors or assigns, may maintain and
 52 operate such facilities, with the necessary [appurtenance] appur-
 53 tenances, in the new location or new locations, for as long a period,
 54 and upon the same terms and conditions, as it had the right to
 55 maintain and operate such facilities in their former location or
 56 locations. In all undertakings authorized by this subsection the
 57 authority shall consult and obtain the approval of the [Public
 58 Utilities Commission] Board of Public Utilities.

1 7. Section 10 of P. L. 1971, c. 137 (C. 5:10-10) is amended to read
 2 as follows:

3 10a. The authority shall have the power and is hereby authorized
 4 from time to time to issue its bonds or notes in such principal
 5 amounts as in the opinion of the authority shall be necessary to
 6 provide sufficient funds for any of its corporate purposes, including
 7 the payment, funding or refunding of the principal of, or interest
 8 or redemption premiums on, any bonds or notes issued by it

9 whether the bonds or notes or interest to be funded or refunded
10 have or have not become due, the establishment or increase of such
11 reserves to secure or to pay such bonds or notes or interest thereon
12 and all other costs or expenses of the agency incident to and
13 necessary to carry out its corporate purposes and powers.

14 b. Except as may be otherwise expressly provided in the act or
15 by the authority, every issue of bonds or notes shall be general
16 obligations payable out of any revenues or funds of the authority,
17 subject only to any agreements with the holders of particular bonds
18 or notes pledging any particular revenues or funds. The authority
19 may issue such types or bonds or notes as it may determine,
20 including (without limiting the generality of the foregoing) bonds
21 or notes as to which the principal and interest are payable (1)
22 exclusively from the revenues and receipts of the part of [the] a
23 project financed with the proceeds of such bonds or notes; (2)
24 exclusively from the revenues and receipts of certain designated
25 parts of [the] a project whether or not the same are financed in
26 whole or in part from the proceeds of such bonds or notes; or (3)
27 from its revenues and receipts generally. Any such bonds or notes
28 may be additionally secured by a pledge of any grant, subsidy or
29 contribution from the United States of America or any agency or
30 instrumentality thereof or the State or any agency, instrumentality
31 or political subdivision thereof, or any person, firm or corporation,
32 [or] a pledge of any income or revenues, funds or moneys of the
33 authority from any source whatsoever *or from the proceeds of any*
34 *credit agreement.*

35 c. Whether or not the bonds and notes are of such form and
36 character as to be negotiable instruments under the terms of
37 Title 12A, Commercial Transactions, New Jersey Statutes, the
38 bonds and notes are hereby made negotiable instruments within
39 the meaning of and for all the purposes of said Title 12A, subject
40 only to the provisions of the bonds and notes for registration.

41 d. Bonds or notes of the authority shall be authorized by a
42 resolution or resolutions of the authority and may be issued in
43 one or more series and shall bear such date, or dates, mature at
44 such time or times, bear interest at such rate or rates of interest
45 per annum *which may be fixed or may change at such time and in*
46 *accordance with a specified formula or method of determination,* be
47 in such denomination or denominations, be in such form, either
48 coupon or registered, carry such conversion or registration privi-
49 leges, have such rank or priority, be executed in such manner, be
50 payable from such sources in such medium of payment at such place
51 or places within or without the State, [and] be subject to such terms

52 of redemption (with or without premium) *and contain such options*
53 *or rights to tender bonds or notes for purchase or redemption as*
54 such resolution or resolutions may provide.

55 e. Bonds or notes of the authority may be sold at public or
56 private sale at such price or prices and in such manner as the
57 authority shall determine. Except for any bonds of the authority
58 which may hereafter be guaranteed by the State within the limita-
59 tions of Section II of Article VIII of the Constitution, every bond
60 shall mature and be paid not later than 40 years from the date
61 thereof.

62 f. Except as otherwise provided by any law authorizing the
63 guaranty by the State of bonds of the authority hereafter submitted
64 to the people pursuant to Section II of Article VIII of the Constitu-
65 tion and approved by a majority of the legally qualified voters of
66 the State voting thereon, bonds or notes may be issued under the
67 provisions of the act without obtaining the consent of any depart-
68 ment, division, commission, board, bureau or agency of the State,
69 and without any other proceeding or the happening of any other
70 conditions or other things than those proceedings, conditions or
71 things which are specifically required by the act.

72 g. Except at otherwise provided by any law authorizing the
73 guaranty of the State of bonds of the authority hereafter sub-
74 mitted to the people pursuant to Section II of Article VIII of the
75 Constitution and approved by a majority of the legally qualified
76 voters of the State voting thereon, bonds and notes of the authority
77 issued under the provisions of the act shall not be in any way a debt
78 or liability of the State or of any political subdivision thereof other
79 than the authority and shall not create or constitute any indebted-
80 ness, liability or obligation of the State or of any such political
81 subdivision or be or constitute a pledge of the faith and credit of
82 the State or of any such political subdivision but all such bonds and
83 notes, unless funded or refunded by bonds or notes of the authority,
84 shall be payable solely from revenues or funds pledged or available
85 for their payment as authorized in the act. Except for bonds of
86 the authority which may hereafter be guaranteed by the State,
87 each bond and note shall contain on its face a statement to the
88 effect that the authority is obligated to pay the principal thereof
89 or the interest thereon only from revenues or funds of the
90 authority and that neither the State nor any political subdivision
91 thereof is obligated to pay such principal or interest and that
92 neither the faith and credit nor the taxing power of the State or any
93 political subdivision thereof is pledged to the payment of the
94 principal of or the interest on such bonds or notes.

95 b. All expenses incurred in carrying out the provisions of the act
96 shall be payable solely from revenues or funds provided or to be
97 provided under the provisions of the act and nothing in the act
98 shall be construed to authorize the authority to incur any indebted-
99 ness or liability on behalf of or payable by the State or any political
100 subdivision thereof except as otherwise provided by any law
101 authorizing the guaranty of the State of any bonds of the authority
102 hereafter submitted to the people pursuant to Section II of
103 Article VIII of the Constitution and approved by a majority of the
104 legally qualified voters of the State voting thereon.

105 i. *The authority shall have the power to purchase bonds or notes*
106 *out of any funds available therefor. The authority may hold, cancel*
107 *or resell such bonds or notes subject to and in accordance with*
108 *agreements with holders of its bonds and notes.*

109 j. *The authority may issue temporary or interim bonds or notes,*
110 *pending the preparation of definitive bonds, exchangeable for*
111 *definitive bonds.*

112 k. *The authority, in connection with the authorization of bonds or*
113 *notes to be issued and sold from time to time, may delegate to such*
114 *officer or agent of the authority as the authority selects, the power*
115 *to determine the time and manner of sale, public or private, the*
116 *maturities and rate of interest which may be fixed or vary at such*
117 *time and in accordance with a specified formula or method of*
118 *determination; provided, however, that the amounts and maturities*
119 *of, and the interest rate on these bonds shall be within the limits*
120 *prescribed by the authority in its resolution delegating to that*
121 *officer or agent the power to authorize the sale and issuance of*
122 *those bonds or notes.*

1 8. Section 11 of P. L. 1971, c. 137 (C. 5:10-11) is amended to
2 read as follows:

3 11. In any resolution of the authority authorizing or relating to
4 the issuance of any bonds or notes, the authority, in order to secure
5 the payment of such bonds or notes and in addition to its other
6 powers, shall have power by provisions therein which shall con-
7 stitute covenants by the authority and contracts with the holders
8 of such bonds or notes:

9 a. To pledge all or any part of its rents, fees, tolls, revenues or
10 receipts to which its right then exists or may thereafter come into
11 existence, and the moneys derived therefrom, and the proceeds of
12 any bonds or notes;

13 b. To pledge any lease or other agreement or the rents or other
14 revenues thereunder and the proceeds thereof;

15 c. To mortgage all or any part of its property, real or personal,
16 then owned or thereafter to be acquired;

17 d. To covenant against pledging all or any part of its rents, fees,
18 tolls, revenues or receipts or its leases or agreements or rents or
19 other revenues thereunder or the proceeds thereof, or against
20 mortgaging all or any part of its real or personal property then
21 owned or thereafter acquired, or against permitting or suffering
22 any lien on any of the foregoing;

23 e. To covenant with respect to limitations on any right to sell,
24 lease or otherwise dispose of any project or any part thereof or any
25 property of any kind;

26 f. To covenant as to any bonds and notes to be issued and the
27 limitations thereon and the terms and conditions thereof and as to
28 the custody, application, investment, and disposition of the proceeds
29 thereof;

30 g. To covenant as to the issuance of additional bonds or notes
31 or as to limitations on the issuance of additional bonds or notes
32 and on the incurring of other debts by it;

33 h. To covenant as to the payment of the principal of or interest
34 on the bonds or notes, or any other obligations, as to the sources
35 and methods of such payment, as to the rank or priority of any
36 such bonds, notes or obligations with respect to any lien or security
37 or as to the acceleration of the maturity of any such bonds, notes or
38 obligations;

39 i. To provide for the replacement of lost, stolen, destroyed or
40 mutilated bonds or notes;

41 j. To covenant against extending the time for the payment of
42 bonds or notes or interest thereon;

43 k. To covenant as to the redemption or *repurchase* of bonds or
44 notes and privileges of *tender* exchange thereof for other bonds or
45 notes of the authority;

46 l. To covenant as to the rates of toll and other charges to be
47 established and charged, the amount to be raised each year or other
48 period of time by tolls or other revenues and as to the use and
49 disposition to be made thereof;

50 m. To covenant to create or authorize the creation of special
51 funds or moneys to be held in pledge or otherwise for construction,
52 operating expenses, payment or redemption of bonds or notes,
53 reserves or other purposes and as to the use, investment, and
54 disposition of the moneys held in such funds;

55 n. To establish the procedure, if any, by which the terms of any
56 contract or covenant with or for the benefit of the holders of bonds
57 or notes may be amended or abrogated, the amount of bonds or
58 notes the holders of which must consent thereto, and the manner
59 in which such consent may be given;

60 o. To covenant as to the construction, improvement, operation
61 or maintenance of its real and personal property, the replacement
62 thereof, the insurance to be carried thereon, and the use and dis-
63 position of insurance moneys;

64 p. To provide for the release of property, leases or other agree-
65 ments, or revenues and receipts from any pledge or mortgage and
66 to reserve rights and powers in, or the right to dispose of, property
67 which is subject to a pledge or mortgage;

68 q. To provide for the rights and liabilities, powers and duties
69 arising upon the breach of any covenant, condition or obligation
70 and to prescribe the events of default and the terms and conditions
71 upon which any or all of the bonds, notes or other obligations of the
72 authority shall become or may be declared due and payable before
73 maturity and the terms and conditions upon which any such
74 declaration and its consequences may be waived;

75 r. To vest in a trustee or trustees within or without the State
76 such property, rights, powers and duties in trust as the authority
77 may determine, including the right to foreclose any mortgage, and
78 to limit the rights, duties and powers of such trustee;

79 s. To execute all mortgages, bills of sale, conveyances, deeds of
80 trust and other instruments necessary or convenient in the exercise
81 of its powers or in the performance of its covenants or duties;

82 t. To pay the costs or expenses incident to the enforcement of
83 such bonds or notes or of the provisions of such resolution or of any
84 covenant or agreement of the authority with the holders of its bonds
85 or notes;

86 u. To limit the powers of the authority to construct, acquire or
87 operate any structures, facilities or properties which may compete
88 or tend to compete with [the project] *any of the projects*;

89 v. To limit the rights of the holders of any bonds or notes to
90 enforce any pledge or covenant securing bonds or notes; and

91 w. To make covenants other than in addition to the covenants
92 herein expressly authorized, of like or different character, and to
93 make such covenants to do or refrain from doing such acts and
94 things as may be necessary, or convenient and desirable, in order
95 to better secure bonds or notes or which, in the absolute discretion
96 of the authority, will tend to make bonds or notes more marketable,
97 notwithstanding that such covenants, acts or things may not be
98 enumerated herein.

1 9. Section 15 of P. L. 1971, c. 137 (C. 5:10-15) is amended to read
2 as follows:

3 15. The State of New Jersey does hereby pledge to and covenant
4 and agree with the holders of any bonds or notes issued pursuant to
5 authority of the act that the State will not limit or alter the rights

6 or powers hereby vested in the authority to acquire, construct, main-
7 tain, improve, repair and operate ~~the~~ a project in any way that
8 would jeopardize the interest of such holders, or to perform and
9 fulfill the terms of any agreement made with the holders of such
10 bonds or notes, or to fix, establish, charge and collect such rents,
11 fees, rates or other charges as may be convenient or necessary to
12 produce sufficient revenues to meet all expenses of the authority
13 and fulfill the terms of any agreement made with the holders of such
14 bonds and notes, together with interest thereon, with interest on any
15 unpaid installments of interest, and all costs and expenses in con-
16 nection with any action or proceedings by or on behalf of such
17 holders, until the bonds, together with interest thereon, are fully
18 met and discharged or provided for.

1 10. Section 17 of P. L. 1971, c. 137 (C. 5:10-17) is amended to
2 read as follows:

3 17. All counties and municipalities and other governmental sub-
4 divisions, all authorities, and all public departments, agencies and
5 commissions of the State, notwithstanding any contrary provision
6 of law, are hereby authorized and empowered to lease, lend, grant
7 or convey to the authority at its request upon such terms and con-
8 ditions as the governing body or other proper authorities of such
9 counties, municipalities and governmental subdivisions, authorities
10 and departments, agencies or commissions of the State may deem
11 reasonable and fair and without the necessity for any advertise-
12 ment, order of court or other action or formality, other than the
13 authorizing ordinance of the governing body of the municipality,
14 the authorizing resolution of the governing body of the county, or
15 the regular and formal action of any public body concerned, any
16 real property or interest therein which may be necessary or con-
17 venient to the effectuation of the purposes of the authority, includ-
18 ing public highways and other real property already devoted to
19 public use, provided that, *as to the authority's project in the*
20 *meadowlands complex*, such real property is located within the
21 750 acre site authorized for ~~the~~ that project *or upon a site outside*
22 *of that acreage, but immediately contiguous thereto or immediately*
23 *across any public road which borders that acreage*. No property of
24 the State, other than meadowlands, riparian lands or lands under
25 water and similar lands or interests therein referred to in Title 12,
26 Commerce and Navigation, and Title 13, Conservation and Develop-
27 ment, of the Revised Statutes, as amended, shall be so granted,
28 leased or conveyed to the authority except upon payment to the
29 State of such price therefor as may be fixed by the State House
30 Commission.

1 11. This act shall take effect immediately.

STATEMENT

The bill permits the New Jersey Sports and Exposition Authority to acquire and utilize, in connection with the existing meadowlands complex which presently consists of not more than 750 acres, lands immediately contiguous to, or immediately across any public road that borders, the existing meadowlands complex.

This bill permits the authority to participate in ventures, either alone or in conjunction with others, for the establishment, development, acquisition, construction or operation of a baseball stadium outside of the meadowlands complex, but within the State of New Jersey.

This bill also permits the authority to participate, either alone or in conjunction with others, in the establishment, development, acquisition, construction or operation of an aquarium or race track facilities outside of the meadowlands complex, but within the State of New Jersey.

This bill further permits the authority to participate, either alone or in conjunction with others, in the establishment, development, acquisition, construction or operation of a convention center or hotel complex within the meadowlands complex or upon lands immediately contiguous to, or immediately across any public road that borders, the existing meadowlands complex.

This bill further permits the authority to participate, either alone or in conjunction with others, in the establishment, development, acquisition, construction or operation of lodging facilities within the meadowlands complex or upon lands immediately contiguous to, or immediately across any public road that borders, the existing meadowlands complex.

This bill further permits the authority to participate, either alone or in conjunction with others, in the ownership, management or promotion of events, exhibitions, teams, team franchises or membership in professional sports leagues.

This bill further permits the authority to participate, either alone or in conjunction with others, in the establishment, development, acquisition, construction or operation of facilities, within or without the meadowlands complex, that are related to, incidental to, necessary for, or complementary to, the accomplishment or purpose of any project of the authority.

With respect to revenues derived from the operation and ownership of the meadowlands complex, this bill further authorizes the authority, after it has paid all costs associated with the meadowlands complex (including payments required to be made pursuant to resolutions adopted in connection with the financing of the

meadowlands complex) and prior to the deposit of any balance remaining into the General Fund, to use all or a portion of that balance to pay costs associated with the issuance by the authority of bonds or notes in connection with the financing of projects other than the meadowlands complex.

This bill further authorizes the Racing Commission to allot annually to the authority, in connection with any race track project other than the one located at the meadowlands complex, not less than that number of days for harness racing and for running racing which shall have been determined by the authority, prior to the issuance of any bonds or notes for such project, to be necessary in order to secure such bonds or notes and provide for the payment of costs and expenses in connection with such project.

The projects authorized by this bill would be economically and culturally beneficial for the citizens of New Jersey. They would help New Jersey's economy and create new jobs. In addition, the ability of the authority to participate in projects for the purpose of producing revenue to defray the cost and expense of all authority projects would permit the authority to participate in beneficial projects which would not otherwise be feasible.

SENATE, No. 2516

STATE OF NEW JERSEY

INTRODUCED DECEMBER 6, 1984

By Senators ORECHIO, RUSSO and DiFRANCESCO

Referred to Committee on State Government, Federal and Interstate
Relations and Veterans Affairs

AN ACT concerning the New Jersey Sports and Exposition
Authority and amending P. L. 1971, c. 137.

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

3 1. Section 2 of P. L. 1971, c. 137 (C. 5:10-2) is amended to read
4 as follows:

5 2. The Legislature hereby finds and declares that the general
6 welfare, health and prosperity of the people of the State will be
7 promoted by the holding of athletic contests, horse racing and other
8 spectator sporting events and of trade shows and other expositions
9 in the State; that in order to induce professional athletic teams,
10 particularly major league football and baseball teams, to locate
11 their franchises in the State, it is necessary to provide stadiums and
12 related facilities for the use of such teams, in addition to the facili-
13 ties for horse racing and other spectator sporting events and to
14 undertake the projects herein described; that such [stadiums and
15 other facilities would also accommodate other events and serve
16 other uses which] projects would provide needed recreation,
17 forums and expositions for the public.

18 It is hereby further found and declared that additional facilities
19 are needed in the State to accommodate trade shows and other ex-
20 positions in order to promote industry and development in the State
21 and provide a forum for public events.

22 The Legislature further finds and declares that the location of
a sports and exposition complex in the Hackensack meadowlands
would stimulate the needed development of said meadowlands.

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

23 The Legislature has determined that to provide for the *projects*,
24 *including the* establishment and operation of the needed stadiums
25 and other facilities for the holding of such spectator sports, ex-
26 positions and other public events and uses, a corporate agency of
27 the State shall be created with the necessary powers to accomplish
28 these purposes.

29 The Legislature further finds that the authority and powers
30 conferred under this act and the expenditure of public moneys
31 pursuant thereto constitutes a serving of a valid public purpose
32 and that the enactment of the provisions hereinafter set forth is
33 in the public interest and is hereby so declared to be such as a
34 matter of express legislative determination.

1 2. Section 3 of P. L. 1971, c. 137 (C. 5:10-3) is amended to read
2 as follows:

3 3. The following words or terms as used in this act shall have
4 the following meaning unless a different meaning clearly appears
5 from the context:

6 a. "Act" means this New Jersey Sports and Exposition
7 Authority Law.

8 b. "Authority" means the New Jersey Sports and Exposition
9 Authority created by section 4 of this act.

10 c. "Bonds" means bonds issued by the authority pursuant to
11 the act.

12 d. "Meadowlands complex" means the sports and exposition
13 project authorized by *paragraph (1) of subsection a. of section 6*
14 *of the act.*

15 e. "Notes" means notes issued by the authority pursuant to
16 the act.

17 f. ["Project"] "*Projects*" means [the meadowlands complex]
18 *and includes any project which the authority is authorized to under-*
19 *take pursuant to paragraphs 1 through 7 of subsection a. of section*
20 *6 of P. L. 1971, c. 137 (C. 5:10-6).*

21 g. "State" means the State of New Jersey.

22 h. "Hackensack meadowlands" means the Hackensack Meadow-
23 lands District as delineated in P. L. 1968, c. 404, s. 4 (C. 13:17-4).

24 i. "Meadowlands Commission" means the Hackensack Meadow-
25 lands Development Commission created by P. L. 1968, c. 404.

26 j. "Racing Commission" means the New Jersey Racing Commis-
27 sion created by P. L. 1940, c. 17.

28 k. "Credit agreement" means loan agreement, revolving credit
29 agreement, agreement establishing a line of credit, letter of credit,
30 reimbursement agreement, insurance contract, surety bond, com-
31 mitment to purchase bonds, purchase or sale agreements, or com-

32 *mitments or other contracts or agreements authorized and approved*
33 *by the authority in connection with the authorization, issuance,*
34 *security, or payment of bonds.*

1 3. Section 5 of P. L. 1971, c. 137 (C. 5:10-5) is amended to read
2 as follows:

3 5. Except as otherwise limited by the act, the authority shall have
4 power:

5 a. To sue and be sued;

6 b. To have an official seal and alter the same at pleasure;

7 c. To make and alter bylaws for its organization and internal
8 management and for the conduct of its affairs and business;

9 d. To maintain an office at such place or places within the State
10 as it may determine;

11 e. To acquire, hold, use and dispose of its income, revenues, funds
12 and moneys;

13 f. To acquire, lease as lessee or lessor, rent, lease, hold, use and
14 dispose of real or personal property for its purposes;

15 g. To borrow money and to issue its negotiable bonds or notes and
16 to secure the same by a mortgage on its property or any part
17 thereof, *and to enter into any credit agreement*, and otherwise to
18 provide for and secure the payment ~~thereof~~ *of its bonds and*
19 *notes* and to provide for the rights of the holders thereof;

20 h. To make and enter into all contracts, leases, and agreements
21 for the use or occupancy of ~~the project~~ *its projects* or any part
22 thereof or which are necessary or incidental to the performance
23 of its duties and the exercise of its powers under the act;

24 i. To make surveys, maps, plans for, and estimates of the cost of,
25 ~~the project~~ *its projects*;

26 j. To establish, acquire, construct, lease the right to construct,
27 rehabilitate, repair, improve, own, operate, and maintain ~~the proj-~~
28 ~~ect~~ *its projects*, and let, award and enter into construction con-
29 tracts, purchase orders and other contracts with respect thereto in
30 such manner as the authority shall determine, subject only to the
31 provisions of ~~section 21 of the act~~ *sections 1 through 3 of P. L.*
32 *1981, c. 447 (C. 5:10-21.1 through 5:10-21.3);*

33 k. To ~~fix~~ and revise from time to time and charge and collect
34 rents, tolls, fees and charges for the use, occupancy or services of
35 ~~the project~~ *its projects* or any part thereof or for admission
36 thereto, and for the grant of concessions therein and for things
37 furnished or services rendered by the authority;

38 l. To establish and enforce rules and regulations for the use or
39 operation of ~~the project~~ *its projects* or the conduct of its activi-
40 ties, and provide for the policing and the security of ~~the project~~
41 *its projects*;

42 m. To acquire in the name of the authority by purchase or other-
43 wise, on such terms and conditions and in such manner as it may
44 deem proper, or, except with respect to the State, by the exercise of
45 the power of eminent domain, any land and other property, in-
46 cluding land under water, meadowlands, and riparian rights, which
47 it may determine is reasonably necessary for [the project] *any*
48 *of its projects* or for the relocation or reconstruction of any high-
49 way by the authority and any and all rights, title and interest in
50 such land and other property, including public lands, reservations,
51 highways or parkways, owned by or in which the State or any
52 county, city, borough, town, township, village, public corporation,
53 or other political subdivision of the State has any right, title or
54 interest, or parts thereof or rights therein and any fee simple
55 absolute or any lesser interest in private property, and any fee
56 simple absolute in, easements upon or the benefit of restrictions
57 upon, abutting property to preserve and protect [the] *any* project;

58 n. To provide through its employees, or by the grant of one or
59 more concessions, or in part through its employees and in part by
60 grant of one or more concessions, for the furnishing of services and
61 things for the accommodation of persons admitted to or using [the
62 project] *its projects* or any part thereof;

63 o. To hold and conduct horse race meetings for stake, purse or
64 reward and to provide and operate a parimutuel system of wager-
65 ing at such meetings but subject only to the provisions of section 7
66 of the act;

67 p. To acquire, construct, operate, maintain, improve, and make
68 capital contributions to others for, transportation and other facili-
69 ties, services and accommodations for the [public using the proj-
70 ect] *public's use of its projects* and to lease or otherwise contract
71 for the operation thereof;

72 q. Subject to any agreement with bondholders or noteholders, to
73 invest moneys of the authority not required for immediate use, in-
74 cluding proceeds from the sale of any bonds or notes, in such obli-
75 gations, securities and other investments as the authority shall
76 deem prudent;

77 r. To contract for and to accept any gifts or grants or loans of
78 funds or property or financial or other aid in any form from the
79 United States of America or any agency or instrumentality thereof,
80 or from the State or any agency, instrumentality or political sub-
81 division thereof, or from any other source and to comply, subject to
82 the provisions of the act, with the terms and conditions thereof;

83 s. Subject to any agreements with bondholders or noteholders, to
84 purchase bonds or notes of the authority out of any funds or money

85 of the authority available therefor, and to hold, cancel or resell such
86 bonds or notes;

87 t. To appoint and employ an executive director, who shall be the
88 chief executive officer, and such additional officers, who need not
89 be members of the authority, and accountants, attorney's, financial
90 advisors or experts and all such other or different officers, agents
91 and employees as it may require and to determine their qualifica-
92 tions, terms of office, duties and compensation, all without regard
93 to the provisions of Title 11, Civil Service, of the Revised Statutes,
94 provided that, it is the express intent of the Legislature that the
95 authority within its sole discretion shall utilize, to the fullest extent
96 feasible, the services of the officers, personnel and consultants of the
97 Meadowlands Commission in connection with its project in the
98 meadowlands complex;

99 u. To do and perform any acts and things authorized by the act
100 under, through, or by means of its officers, agents or employees or
101 by contracts with any person, firm or corporation;

102 v. To procure insurance against any losses in connection with its
103 property, operations or assets in such amounts and from such in-
104 surers as it deems desirable;

105 w. To do any and all things, including, but not limited to, the
106 creation or formation of profit or not for profit corporations neces-
107 sary or convenient to carry out its purposes and exercise the powers
108 given and granted in the act; and

109 x. To determine the location, type and character of [the] a
110 project or any part thereof and all other matters in connection with
111 all or any part of [the] a project, notwithstanding any land use
112 plan, zoning regulation, building code or similar regulation hereto-
113 fore or hereafter adopted by the State, any municipality, county,
114 public body politic and corporate, including but not limited to the
115 Meadowlands Commission, or any other political subdivision of the
116 State, provided that the authority shall consult with the Meadow-
117 lands Commission before making any determination as to the loca-
118 tion, type and character of [the] any project under the jurisdiction
119 of the Meadowlands Commission.

1 4. Section 6 of P. L. 1971, c. 137 (C. 5:10-6) is amended to read
2 as follows:

3 6. a. The authority, pursuant to the provisions of the act, is
4 hereby authorized and empowered [to], either alone or in conjunc-
5 tion with others, and provided that, in the case of an arrangement
6 with respect to any of the projects set forth in this section which
7 shall be in conjunction with others, the authority shall have suffi-
8 cient right and power to carry out the public purposes set forth in
9 this act:

10 (1) To establish, develop, construct, operate, acquire, own, man-
 11 age, promote, maintain, repair, reconstruct, restore, improve and
 12 otherwise effectuate, either directly or indirectly through lessees,
 13 licensees or agents, a project to be located in the Hackensack mead-
 14 owlands upon a site not to exceed 750 acres and upon a site or sites
 15 outside of that acreage, but either immediately contiguous thereto
 16 or immediately across any public road which borders that acreage,
 17 consisting of one or more stadiums, coliseums, arenas, pavilions,
 18 stands, field houses, playing fields, recreation centers, courts, gym-
 19 nasiums, club houses, a race track for the holding of horse race
 20 meetings, and other buildings, structures, facilities, properties and
 21 appurtenances related to, incidental [and] to, necessary for, or
 22 complementary to, a complex suitable for the holding of athletic
 23 contests or other sporting events, or trade shows, exhibitions, spec-
 24 tacles, public meetings, entertainment events or other expositions,
 25 [and such project may include] including, but not limited to, drive-
 26 ways, roads, approaches, parking areas, parks, recreation areas,
 27 [food] lodging facilities, vending facilities, restaurants, transpor-
 28 tation structures, systems and facilities, and equipment, furnish-
 29 ings, and all other structures and appurtenant facilities, related
 30 to, incidental to, necessary for, or complementary to, the purposes
 31 of [the] that project or any facility thereof. [As part of the proj-
 32 ect the authority is empowered to make capital contributions to
 33 others for transportation and other facilities, and accommodations
 34 for the public using the project. Any part of the project site not
 35 occupied or to be occupied by facilities of the project may be leased
 36 by the authority for purposes determined by the authority to be
 37 consistent with or related to the purposes of the project, including
 38 but not limited to hotels and other accommodations for transients
 39 and other facilities related or incidental to the project.]

40 (2) To establish, develop, construct, acquire, own, operate, man-
 41 age, promote, maintain, repair, reconstruct, restore, improve and
 42 otherwise effectuate, either directly or indirectly through lessees,
 43 licensees or agents, a project, at a site within the State of New
 44 Jersey but outside of the meadowlands complex, consisting of a
 45 baseball stadium and other buildings, structures, facilities, prop-
 46 erties and appurtenances related thereto, or incidental to, neces-
 47 sary for, or complementary to, a complex suitable for the holding
 48 of professional baseball games and other athletic contests or sport-
 49 ing events, or trade shows, exhibitions, spectacles, public meetings,
 50 entertainment events or other expositions, such project to include
 51 driveways, roads, approaches, parking areas, parks, recreation
 52 areas, vending facilities, restaurants, transportation structures,

53 systems and facilities, and equipment, furnishings and all other
54 structures and appurtenant facilities related to, incidental to, neces-
55 sary for, or complementary to, the purposes of that project or any
56 facility thereof.

57 (3) To establish, develop, construct, acquire, own, operate, man-
58 age, promote, maintain, repair, reconstruct, restore, improve and
59 otherwise effectuate, either directly or indirectly through lessees,
60 licensees or agents, a project, at a site within the State of New
61 Jersey but outside of the meadowlands complex, consisting of an
62 aquarium and the buildings, structures, facilities, properties and
63 appurtenances related thereto, or incidental to, necessary for, or
64 complementary to, that aquarium, such project to include drive-
65 ways, roads, approaches, parking areas, parks, recreation areas,
66 vending facilities, restaurants, transportation structures, systems
67 and facilities, and equipment, furnishings and all other structures
68 and appurtenant facilities related to, incidental to, necessary for,
69 or complementary to, the purposes of that project or any facility
69a thereof.

70 (4) To establish, develop, construct, acquire, own, operate, man-
71 age, promote, maintain, repair, reconstruct, restore, improve and
72 otherwise effectuate, either directly or indirectly through lessees,
73 licensees or agents, a project consisting of a convention center or
74 hotel complex, at a site within the State of New Jersey and either
75 (a) within the meadowlands complex or (b) outside of the meadow-
76 lands complex, but either immediately contiguous thereto or im-
77 mediately across any public road which borders the meadowlands
78 complex, including any buildings, structures, properties and ap-
79 purtenances related thereto, incidental thereto, necessary therefor,
80 or complementary thereto, such project to include driveways, roads,
81 approaches, parking areas, parks, recreation areas, vending facili-
82 ties, restaurants, transportation structures, systems, and equip-
83 ment, furnishings and all other structures and appurtenances re-
84 lated to, incidental to, necessary for, or complementary to, the
85 purposes of that project.

86 (5) To establish, develop, construct, acquire, own, operate, man-
87 age, promote, maintain, repair, reconstruct, restore, improve and
88 otherwise effectuate, either directly or indirectly through lessees,
89 licensees or agents, projects consisting of (a) race track facilities
90 located within the State of New Jersey but outside of the meadow-
91 lands complex, (b) their contiguous properties and (c) their aux-
92 iliary facilities, including, without limitation, pavilions, stands,
93 field houses, club houses, training tracks for horses, race tracks for
94 the holding of horse race meetings, fairgrounds, other exposition

95 facilities, and other buildings, structures, facilities, properties and
96 appurtenances related to, incidental to, necessary for, or comple-
97 mentary to, a complex suitable for the holding of horse race meet-
98 ings, other sporting events, or trade shows, exhibitions, spectacles,
99 public meetings, entertainment events or other expositions, includ-
100 ing, but not limited to, driveways, roads, approaches, parking
101 areas, parks, recreation areas, lodging facilities, vending facilities,
102 restaurants, transportation structures, systems and facilities, equip-
103 ment, furnishings, and all other structures and appurtenant facili-
104 ties related to, incidental to, necessary for, or complementary to,
105 the purposes of any of those projects or any facility thereof.

106 Notwithstanding any law to the contrary, the acquisition of any
107 existing racetrack facility in and licensed by the State of New
108 Jersey shall be permitted on the condition that payments equivalent
109 to all municipal, school board and county taxes due to each entity
110 shall be paid by the authority to the extent, and in accordance with
111 the same payment schedule, as taxes would have been paid each
112 year as though the racetrack facility remained in private owner-
113 ship. In the event the authority conveys lands or other parts of the
114 racetrack facility to others, the authority shall receive a reduction
115 of such payments commensurate with the amount required to be
116 paid by the subsequent owner of the lands and improvements dis-
117 posed of by the authority. In addition, the authority shall be re-
118 sponsible for paying all existing local franchise fees, license and
119 parking tax fees in effect at the time of the acquisition.

120 (6) To establish, develop, acquire, own, operate, manage, pro-
121 mote and otherwise effectuate, in whole or in part, either directly
122 or indirectly through lessees, licensees or agents, projects consist-
123 ing of events, expositions, teams, team franchises or membership
124 in professional sports leagues.

125 (7) To establish, develop, construct, acquire, own, operate, man-
126 age, promote, maintain, repair, reconstruct, restore, improve and
127 otherwise effectuate, either directly or indirectly through lessees,
128 licensees or agents, projects consisting of facilities, at a site or sites
129 within the State of New Jersey and either within or without the
130 meadowlands complex, that are related to, incidental to, necessary
131 for, or complementary to, the accomplishment or purpose of any
132 project of the authority authorized by this section, including any
133 buildings, structures, properties and appurtenances related thereto,
134 incidental thereto, necessary therefor, or complementary thereto,
135 such projects to include driveways, roads, approaches, parking
136 areas, parks, recreation areas, vending facilities, restaurants, trans-
137 portation structures, systems, and equipment, furnishings and all

138 *other structures and appurtenances related to, incidental to, neces-*
139 *sary for, or complementary to, the purposes of those projects.*

140 *b. The authority, pursuant to the provisions of the act, is autho-*
141 *rized (1) to make, as part of any of the projects, capital contribu-*
142 *tions to others for transportation and other facilities, and accom-*
143 *modations for the public's use of any of those projects, (2) to lease*
144 *any part of any of those project sites not occupied or to be occupied*
145 *by the facilities of any of those projects for purposes determined*
146 *by the authority to be consistent with or related to the purposes of*
147 *those projects, including but not limited to hotels and other ac-*
148 *commodations for transients and other facilities related to or in-*
149 *cidental to any of those projects, and (3) to sell or dispose of any*
150 *real or personal property, including, but not limited to, such por-*
151 *tion of the site of any of those projects not occupied or to be oc-*
152 *cupied by the facilities of any of those projects.*

153 **[b.]** *c. Revenues, moneys or other funds, if any, derived from the*
154 *operation or ownership of the meadowlands complex, including the*
155 *conduct of horse race meetings, shall be applied in accordance with*
156 *the resolution or resolutions authorizing or relating to the issuance*
157 *of bonds or notes of the authority to the following purposes and*
158 *in the following order:*

159 (1) *The costs of operation and maintenance of the meadowlands*
160 *complex and reserves therefor;*

161 (2) *Principal, sinking fund installments and redemption pre-*
162 *miums of and interest on any bonds or notes of the authority issued*
163 *for the purposes of the meadowlands complex or for the purpose*
164 *of refunding the same, including reserves therefor;*

165 (3) *The costs of any major or extraordinary repairs, renewals*
166 *or replacements with respect to the meadowlands complex or*
167 *incidental improvements thereto not paid pursuant to paragraph*
168 (1) *above, including reserves therefor;*

169 (4) *Payments required to be made pursuant to section 18b;*

170 (5) *Payments authorized to be made pursuant to section 18c;*

171 (6) *Payments required to be made in accordance with the resolu-*
172 *tion authorizing or relating to the issuance of bonds or notes of the*
173 *authority for the purposes of any project authorized by this 1984*
174 *amendatory act;*

175 **[(6)]** (7) *The balance remaining after application in accordance*
176 *with the above shall be deposited in the General State Fund, pro-*
177 *vided that (a) there shall be appropriated for authorized State*
178 *purposes from the amounts so deposited that amount which shall*
179 *be calculated by the State Treasurer to be the debt service savings*
180 *realized with respect to the refinancing of the initial project as*

181 defined in P. L. 1973, c. 286, § 1 (C. 5:10-14.1) at the meadowlands
182 complex by the issuance of bonds of the authority guaranteed by
183 the State,] and [(b) after such appropriation,] 40% of [any
184 balance remaining from the] all amounts so deposited shall be ap-
185 propriated to the Meadowlands Commission for any of its purposes
186 authorized by P. L. 1968, c. 804, and any amendments or supple-
187 ments thereto.

188 *d. Revenues, moneys or other funds, if any, derived from the*
189 *operation or ownership of any project other than the meadowlands*
190 *complex shall be applied for such purposes, in such manner and*
191 *subject to such conditions as shall be provided in the resolution*
192 *authorizing or relating to the issuance of bonds or notes of the au-*
193 *thority for the purposes of such project, and the balance, if any,*
194 *remaining after such application shall be deposited in the General*
195 *Fund.*

1 5. Section 7 of P. L. 1971, c. 137 (C. 5:10-7) is amended to read
2 as follows:

3 7. a. The authority is hereby authorized, licensed and empowered
4 to apply to the Racing Commission for a permit or permits to hold
5 and conduct, [as part of the Meadowlands complex,] at any of the
6 projects set forth in paragraphs (1) and (5) of subsection a. of
7 section 6 of P. L. 1971, c. 137 (C. 5:10-6), horse race meetings for
8 stake, purse or reward, and to provide a place or places of the race
9 meeting grounds or enclosure for wagering by patrons on the result
10 of such horse races by the parimutuel system, and to receive charges
11 and collect all revenues, receipts and other sums from the owner-
12 ship and operation thereof; provided that only the authority
13 through its employees shall conduct such horse race meetings and
14 wagering and the authority is expressly prohibited from placing
15 in the control of any other person, firm or corporation the conduct
16 of such horse race meetings, or wagering.

17 b. Except as otherwise provided in this section, such horse race
18 meetings and parimutuel wagering shall be conducted by the
19 authority in the manner and subject to compliance with the
20 standards set forth in P. L. 1940, c. 17 (C. 5:5-22 et seq.) and the
21 rules, regulations and conditions prescribed by the Racing Commis-
22 sion thereunder for the conduct of horse race meetings and for pari-
23 mutuel betting at such meetings.

24 c. Application for said permit or permits shall be on such forms
25 and shall include such accompanying data as the Racing Commis-
26 sion shall prescribe for other applicants. The Racing Commission
27 shall proceed to review and act on any such application within
28 30 days after its filing and the Racing Commission is authorized

29 in its sole discretion to determine whether a permit shall be granted
30 to the authority. If, after such review, the Racing Commission acts
31 favorably on such application, a permit shall be granted to the
32 authority without any further approval and shall remain in force
33 and effect so long as any bonds or notes of the authority [issued
34 for the purposes of the meadowlands complex] remain outstanding,
35 the provision of any other law to the contrary notwithstanding.
36 In granting a permit to the authority to conduct a horse race meet-
37 ing, the Racing Commission shall not be subject to any limitation as
38 to the number of tracks authorized for the conduct of horse race
39 meetings pursuant to any provision of P. L. 1940, c. 17 (C. 5:5-22
40 et seq.). Said permit shall set forth the dates to be allotted to the
41 authority for its initial horse race meetings. Thereafter application
42 for dates for horse race meetings by the authority and the allotment
43 thereof by the Racing Commission, including the renewal of the
44 same dates theretofore allotted, shall be governed by the applicable
45 provisions of P. L. 1940, c. 17 (C. 5:5-22 et seq.). Notwithstanding
46 the provision of any other law to the contrary, the Racing Commis-
47 sion shall allot annually to the authority (1) *for the meadowlands*
48 *complex*, in the case of harness racing, not less than 100 racing
49 days, and in the case of running racing, not less than 56 racing days,
50 if and to the extent that application is made therefor, and (2) *for*
51 *any other project set forth in paragraph (5) of subsection a. of sec-*
52 *tion 6 of P. L. 1971, c. 137 (C. 5:10-6), not less than that number of*
53 *days for harness racing and for running racing that shall have been*
54 *determined by the authority, prior to the issuance of any bonds or*
55 *notes for such project, to be necessary in order to secure such bonds*
56 *or notes and provide for the payment of costs or expenses in con-*
57 *nection with such project, including reserves therefor, if and to the*
58 *extent that application is made therefor.*

59 d. No hearing, referendum or other election or proceeding, and
60 no payment, surety or cash bond or other deposit, shall be required
61 for the authority to hold or conduct the horse race meetings with
62 parimutuel wagering herein authorized.

63 e. The authority shall determine the amount of the admission fee
64 for the races and all matters relating to the collection thereof.

65 f. Distribution of sums deposited in parimutuel pools to winners
66 thereof shall be in accordance with the provisions of section 44 of
67 P. L. 1940, c. 17 (C. 5:5-64) pertaining thereto. The authority shall
68 make disposition of the deposits remaining undistributed as follows:

69 (1) In the case of harness races:

70 (a) Hold and set aside in an account designated as a special trust
71 account 1% of such total contributions in all pools to be used and

72 distributed as hereinafter provided and as provided in section 5 of
73 P. L. 1967, c. 40, for the following purposes and no other:

74 (i) 42½% thereof to increase purses and grant awards for
75 starting horses as provided or as may be provided by rules of
76 the New Jersey Racing Commission with payment to be made
77 in the same manner as payment of other purses and awards;

78 (ii) 49% thereof for the establishment of a Sire Stakes Pro-
79 gram for standardbred horses with payment to be made to the
80 Department of Agriculture for administration as hereinbefore
81 provided;

82 (iii) 5½% thereof for contributions and awards designed to
83 improve and promote the standardbred breeding industry in
84 New Jersey through payment of awards to owners and breeders
85 of New Jersey bred horses which are registered with the
86 Standardbred Breeders' and Owners' Association of New
87 Jersey and which earn portions of purses in open events on
88 New Jersey tracks, and to owners of stallions posted on the
89 official stallions roster of the Standardbred Breeders' and
90 Owners' Association of New Jersey which sire such registered
91 New Jersey bred money earners;

92 (iv) 3% thereof for other New Jersey horse breeding and
93 promotion conducted by the New Jersey Department of Agri-
94 culture.

95 Payment of the sums held and set aside pursuant to subpara-
96 graphs (iii) and (iv) shall be made to the commission every seventh
97 day of any and every race meeting in the amount then due as de-
98 termined in the manner provided above, and shall be accompanied
99 by a report under oath showing the total of all such contributions,
100 together with such other information as the commission may re-
101 quire.

102 (b) Distribute as purse money and for programs designed to aid
103 the horsemen and the Standardbred Breeders' and Owners' Asso-
104 ciation of New Jersey 5% of such total contribution. Expenditures
105 for programs designed to aid the horsemen and the Standardbred
106 Breeders' and Owners' Association of New Jersey shall not exceed
107 3.5% of the sum available for distribution as purse money. The
108 formula for distribution of the purse money as either overnight
109 purses or special stakes shall be determined by an agreement
110 between the Standardbred Breeders' and Owners' Association of
111 New Jersey and the authority. Notwithstanding the foregoing, for
112 pools where the patron is required to select two or more horses,
113 the authority shall distribute as purse money 5.5% of the total
114 contributions and for pools where the patron is required to select

115 three or more horses, the authority shall distribute as purse money
116 7% of the total contributions. Notwithstanding the foregoing, for
117 pools where a patron is required to select three or more horses, the
118 authority shall retain out of the 7% to be distributed as purse
119 money, a sum deemed necessary by the racing commission, for use
120 by the commission to finance a prerace blood testing program, and
121 such other testing programs which the commission shall deem
122 proper and necessary and which shall be subject to the regulation
123 and control of said commission.

124 (2) In the case of running races:

125 (a) Hold and set aside in an account designated as a special trust
126 account 15% of 1% of such total contributions to be used and
127 distributed as hereinafter provided and as provided in section 5
128 of P. L. 1967, c. 40, for the following purposes and no other:

129 (i) 10% of 1% thereof for contributions and awards designed
130 to improve and promote the thoroughbred breeding industry
131 in New Jersey through payment of awards to owners and
132 breeders of registered New Jersey bred horses which earn por-
133 tions of purses in open events on New Jersey tracks, and to
134 owners of stallions posted on the official stallion rosters of the
135 Thoroughbred Breeders' Association of New Jersey which sire
136 such registered New Jersey bred money earners;

137 (ii) 5% of 1% thereof for State horse breeding and develop-
138 ment programs, research, fairs, horse shows, youth activities,
139 promotion and administration.

140 (b) Distribute as purse money and for programs designed to aid
141 the horsemen and the New Jersey Horsemen's Benevolent and
142 Protective Association 4.24% of such total contributions. Expendi-
143 tures for programs designed to aid the horsemen and the New
144 Jersey Horsemen's Benevolent and Protective Association shall not
145 exceed 2.9% of the sum available for distribution as purse money.
146 The formula for distribution of the purse money as either over-
147 night purses or special stakes shall be determined by an agreement
148 between the New Jersey Horsemen's Benevolent and Protective
149 Association and the authority. Notwithstanding the foregoing, for
150 pools where the patron is required to select three or more horses,
151 the authority shall distribute as purse money 7.24% of the total
152 contributions.

153 (c) For pools where a patron is required to select three or more
154 horses, 50% of 1% of the total contributions shall be held and set
155 aside in the special trust account established pursuant to section
156 46 b. (1) (e) and 46 b. (2) (e) of P. L. 1940, c. 17 (C. 5:5-66).

157 Payment of the sums held and set aside pursuant to subpara-

158 graphs (a) and (c) of this subsection shall be made to the commis-
159 sion every seventh day of any and every race meeting in the amount
160 then due as determined in the manner provided above, and shall be
161 accompanied by a report under oath showing the total of all such
162 contributions, together with such other information as the commis-
163 sion may require.

164 In addition, as an initial payment to the State, an amount equal
165 to $\frac{1}{2}$ of 1% of all parimutuel pools shall be deposited annually in
166 the General State Fund. All amounts remaining in parimutuel
167 pools, including the breaks, after such distribution and payments
168 shall constitute revenues of the authority. Except as otherwise
169 expressly provided in this section 7, the authority shall not be re-
170 quired to make any payments to the Racing Commission or others
171 in connection with contributions to parimutuel pools.

172 In the event that a written agreement between the authority and
173 the respective horsemen's associations shall require the distribution
174 of additional sums of money to increase purses or contributions to
175 the special trust accounts hereinabove provided or both, any such
176 distribution to be made in the year 1981 shall be made by the au-
177 thority only from, and to the extent of, available moneys from the
178 preceding year set aside for such purpose after application of the
179 authority's revenues, moneys or other funds as provided in sub-
180 section [b.] c. (1), (2), (3), (4) [and], (5), (6) and (7) of section
181 6 of P. L. 1971, c. 137.

182 g. All sums held by the authority for payment of outstanding
183 parimutuel tickets not claimed by the person or persons entitled
184 thereto within the time provided by law shall be paid to the Racing
185 Commission upon the expiration of such time without further
186 obligation to such ticketholder.

187 h. No admission or amusement tax, excise tax, license or horse
188 racing fee of any kind shall be assessed or collected from the au-
189 thority by the State of New Jersey, or by any county or munici-
190 pality, or by any other body having power to assess or collect
191 license fees or taxes.

192 i. Any horse race meeting and the parimutuel system of wager-
193 ing upon the result of horse races held as such race meeting shall
194 not under any circumstances, if conducted as provided in the act
195 and in conformity thereto, be held or construed to be unlawful,
196 other statutes of the State to the contrary notwithstanding.

197 j. Each employee of the authority engaged in the conducting of
198 horse race meetings shall obtain the appropriate license from the
199 Racing Commission subject to the same terms and conditions as is
200 required of similar employees of other permitholders. The Racing

201 Commission may suspend any member of the authority upon ap-
202 proval of the Governor and the license of any employee of the au-
203 thority in connection with the conducting of horse race meetings
204 pending a hearing by the Racing Commission for any violation of
205 the New Jersey laws regulating horse racing or any rule or regula-
206 tion of the commission. Such hearing shall be held and conducted
207 in the manner provided in said laws.

1 6. Section 8 of P. L. 1971, c. 137 (C. 5:10-8) is amended to read
2 as follows:

3 8. a. If the authority shall find it necessary in connection with
4 the undertaking of ~~the project~~ *any of its project* to change the
5 location of any portion of any public highway or road, it may con-
6 tract with any government agency~~[,]~~ or public or private corpora-
7 tion, which may have jurisdiction over said public highway or road.
8 to cause said public highway or road to be constructed at such
9 location as the authority *shall deem most favorable and, as to its*
10 *project in the meadowlands complex*, in consultation with the Mead-
11 owlands Commission ~~[shall deem most favorable]~~. The cost of
12 such reconstruction and any damage incurred in changing the
13 location of any such highway shall be ascertained and paid by the
14 authority as a part of the cost of ~~the~~ *any* project. Any public
15 highway affected by the construction of ~~the~~ *a* project may be
16 vacated or relocated by the authority in the manner now provided
17 by law for the vacation or relocation of public roads, and any
18 damages awarded on account thereof shall be paid by the authority
19 as part of the cost of the project. In all undertakings authorized by
20 this subsection the authority shall consult and obtain the approval
21 of the New Jersey Department of Transportation.

22 b. In addition to the foregoing powers the authority and its
23 authorized agents and employees may enter upon any lands, waters
24 and premises for the purpose of making surveys, soundings, drill-
25 ings and examinations as it may deem necessary or convenient for
26 the purposes of the act, all in accordance with due process of law,
27 and such entry shall not be deemed a trespass nor shall an entry
28 for such purpose be deemed an entry under any condemnation
29 proceedings which may be then pending. The authority shall make
30 reimbursement for any actual damages resulting to such lands,
31 waters and premises as a result of such activities.

32 c. The authority shall also have power to make reasonable reg-
33 ulations for the installation, construction, maintenance, repair,
34 renewal, relocation and removal of tracks, pipes, mains, conduits,
35 cables, wires, towers, poles and other equipment and appliances
36 (herein called "public utility facilities") of any public utility as de-

37 fined in R. S. 48:2-13, in, on, along, over or under [the] a project.
38 Whenever the authority shall determine that it is necessary that any
39 such public utility facilities which now are, or hereafter may be,
40 located in, on, along, over or under [the] a project shall be re-
41 located in the project, or should be removed therefrom, the public
42 utility owning or operating such facilities shall relocate or remove
43 the same in accordance with the order of the authority; provided,
44 however, that the cost and expenses of such relocation or removal,
45 including the cost of installing such facilities in a new location, or
46 new locations, and the cost of any lands, or any rights or interests
47 in lands, and any other rights, acquired to accomplish such reloca-
48 tion or removal, shall be ascertained and paid by the authority as a
49 part of the cost of [the] any project. In case of any such relocation
50 or removal of facilities, as aforesaid, the public utility owning or
51 operating the same, its successors or assigns, may maintain and
52 operate such facilities, with the necessary [appurtenance] appur-
53 tenances, in the new location or new locations, for as long a period,
54 and upon the same terms and conditions, as it had the right to
55 maintain and operate such facilities in their former location or
56 locations. In all undertakings authorized by this subsection the
57 authority shall consult and obtain the approval of the [Public
58 Utilities Commission] Board of Public Utilities.

1 7. Section 10 of P. L. 1971, c. 137 (C. 5:10-10) is amended to
2 read as follows:

3 10. a. The authority shall have the power and is hereby authorized
4 from time to time to issue its bonds or notes in such principal
5 amounts as in the opinion of the authority shall be necessary to
6 provide sufficient funds for any of its corporate purposes, including
7 the payment, funding or refunding of the principal of, or interest
8 or redemption premiums on, any bonds or notes issued by it
9 whether the bonds or notes or interest to be funded or refunded
10 have or have not become due, the establishment or increase of such
11 reserves to secure or to pay such bonds or notes or interest thereon
12 and all other costs or expenses of the agency incident to and
13 necessary to carry out its corporate purposes and powers.

14 b. Except as may be otherwise expressly provided in the act or
15 by the authority, every issue of bonds or notes shall be general
16 obligations payable out of any revenues or funds of the authority,
17 subject only to any agreements with the holders of particular bonds
18 or notes pledging any particular revenues or funds. The authority
19 may issue such types or bonds or notes as it may determine,
20 including (without limiting the generality of the foregoing) bonds
21 or notes as to which the principal and interest are payable (1)

22 exclusively from the revenues and receipts of the part of [the] a
23 project financed with the proceeds of such bonds or notes; (2) ex-
24 clusively from the revenues and receipts of certain designated parts
25 of [the] a project whether or not the same are financed in whole
26 or in part from the proceeds of such bonds or notes; or (3) from
27 its revenues and receipts generally. Any such bonds or notes may
28 be additionally secured by a pledge of any grant, subsidy or con-
29 tribution from the United States of America or any agency or in-
30 strumentality thereof or the State or any agency, instrumentality
31 or political subdivision thereof, or any person, firm or corporation,
32 [or] a pledge of any income or revenues, funds or moneys of the
33 authority from any source whatsoever *or from the proceeds of any*
34 *credit agreement.*

35 c. Whether or not the bonds and notes are of such form and
36 character as to be negotiable instruments under the terms of
37 Title 12A, Commercial Transactions, New Jersey Statutes, the
38 bonds and notes are hereby made negotiable instruments within
39 the meaning of and for all the purposes of said Title 12A, subject
40 only to the provisions of the bonds and notes for registration.

41 d. Bonds or notes of the authority shall be authorized by a
42 resolution or resolutions of the authority and may be issued in
43 one or more series and shall bear such date, or dates, mature at
44 such time or times, bear interest at such rate or rates of interest
45 per annum *which may be fixed or may change at such time and in*
46 *accordance with a specified formula or method of determination,*
47 be in such denomination or denominations, be in such form, either
48 coupon or registered, carry such conversion or registration privi-
49 leges, have such rank or priority, be executed in such manner, be
50 payable from such sources in such medium of payment at such
51 place or places within or without the State, [and] be subject to
52 such terms of redemption (with or without premium) *and contain*
53 *such options or rights to tender bonds or notes for purchase or re-*
54 *demption as such resolution or resolutions may provide.*

55 e. Bonds or notes of the authority may be sold at public or
56 private sale at such price or prices and in such manner as the
57 authority shall determine. Except for any bonds of the authority
58 which may hereafter be guaranteed by the State within the limita-
59 tions of Section II of Article VIII of the Constitution, every bond
60 shall mature and be paid not later than 40 years from the date
61 thereof.

62 f. Except as otherwise provided by any law authorizing the
63 guaranty by the State of bonds of the authority hereafter submitted
64 to the people pursuant to Section II of Article VIII of the Constitu-

tion and approved by a majority of the legally qualified voters of the State voting thereon, bonds or notes may be issued under the provisions of the act without obtaining the consent of any department, division, commission, board, bureau or agency of the State, and without any other proceeding or the happening of any other conditions or other things than those proceedings, conditions or things which are specifically required by the act.

g. Except as otherwise provided by any law authorizing the guaranty of the State of bonds of the authority hereafter submitted to the people pursuant to Section II of Article VIII of the Constitution and approved by a majority of the legally qualified voters of the State voting thereon, bonds and notes of the authority issued under the provisions of the act shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the authority and shall not create or constitute any indebtedness, liability or obligation of the State or of any such political subdivision or be or constitute a pledge of the faith and credit of the State or of any such political subdivision but all such bonds and notes, unless funded or refunded by bonds or notes of the authority, shall be payable solely from revenues or funds pledged or available for their payment as authorized in the act. Except for bonds of the authority which may hereafter be guaranteed by the State, each bond and note shall contain on its face a statement to the effect that the authority is obligated to pay the principal thereof or the interest thereon only from revenues or funds of the authority and that neither the State nor any political subdivision thereof is obligated to pay such principal or interest and that neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or the interest on such bonds or notes.

h. All expenses incurred in carrying out the provisions of the act shall be payable solely from revenues or funds provided or to be provided under the provisions of the act and nothing in the act shall be construed to authorize the authority to incur any indebtedness or liability on behalf of or payable by the State or any political subdivision thereof except as otherwise provided by any law authorizing the guaranty of the State of any bonds of the authority hereafter submitted to the people pursuant to Section II of Article VIII of the Constitution and approved by a majority of the legally qualified voters of the State voting thereon.

i. *The authority shall have the power to purchase bonds or notes out of any funds available therefor. The authority may hold, cancel or resell such bonds or notes subject to and in accordance with agreements with holders of its bonds and notes.*

109 *j. The authority may issue temporary or interim bonds or notes,*
110 *pending the preparation of definitive bonds, exchangeable for de-*
111 *fnitive bonds.*

112 *k. The authority, in connection with the authorization of bonds*
113 *or notes to be issued and sold from time to time, may delegate to*
114 *such officer or agent of the authority as the authority selects, the*
115 *power to determine the time and manner of sale, public or private,*
116 *the maturities and rate of interest which may be fixed or vary at*
117 *such time and in accordance with a specified formula or method of*
118 *determination; provided, however, that the amounts and maturities*
119 *of, and the interest rate on these bonds shall be within the limits*
120 *prescribed by the authority in its resolution delegating to that*
121 *officer or agent the power to authorize the sale and issuance of those*
122 *bonds or notes.*

1 8. Section 11 of P. L. 1971, c. 137 (C. 5:10-11) is amended to
2 read as follows:

3 11. In any resolution of the authority authorizing or relating to
4 the issuance of any bonds or notes, the authority, in order to secure
5 the payment of such bonds or notes and in addition to its other
6 powers, shall have power by provisions therein which shall con-
7 stitute covenants by the authority and contracts with the holders
8 of such bonds or notes:

9 a. To pledge all or any part of its rents, fees, tolls, revenues or
10 receipts to which its right then exists or may thereafter come into
11 existence, and the moneys derived therefrom, and the proceeds of
12 any bonds or notes;

13 b. To pledge any lease or other agreement or the rents or other
14 revenues thereunder and the proceeds thereof;

15 c. To mortgage all or any part of its property, real or personal,
16 then owned or thereafter to be acquired;

17 d. To covenant against pledging all or any part of its rents, fees,
18 tolls, revenues or receipts or its leases or agreements or rents or
19 other revenues thereunder or the proceeds thereof, or against
20 mortgaging all or any part of its real or personal property then
21 owned or thereafter acquired, or against permitting or suffering
22 any lien on any of the foregoing;

23 e. To covenant with respect to limitations on any right to sell,
24 lease or otherwise dispose of any project or any part thereof or any
25 property of any kind;

26 f. To covenant as to any bonds and notes to be issued and the
27 limitations thereon and the terms and conditions thereof and as to
28 the custody, application, investment, and disposition of the proceeds
29 thereof;

- 30 g. To covenant as to the issuance of additional bonds or notes
31 or as to limitations on the issuance of additional bonds or notes
32 and on the incurring of other debts by it;
- 33 h. To covenant as to the payment of the principal of or interest
34 on the bonds or notes, or any other obligations, as to the sources
35 and methods of such payment, as to the rank or priority of any
36 such bonds, notes or obligations with respect to any lien or security
37 or as to the acceleration of the maturity of any such bonds, notes or
38 obligations;
- 39 i. To provide for the replacement of lost, stolen, destroyed or
40 mutilated bonds or notes;
- 41 j. To covenant against extending the time for the payment of
42 bonds or notes or interest thereon;
- 43 k. To covenant as to the redemption or *repurchase* of bonds or
44 notes and privileges of *tender* exchange thereof for other bonds or
45 notes of the authority;
- 46 l. To covenant as to the rates of toll and other charges to be
47 established and charged, the amount to be raised each year or other
48 period of time by tolls or other revenues and as to the use and
49 disposition to be made thereof;
- 50 m. To covenant to create or authorize the creation of special
51 funds or moneys to be held in pledge or otherwise for construction,
52 operating expenses, payment or redemption of bonds or notes,
53 reserves or other purposes and as to the use, investment, and
54 disposition of the moneys held in such funds;
- 55 n. To establish the procedure, if any, by which the terms of any
56 contract or covenant with or for the benefit of the holders of bonds
57 or notes may be amended or abrogated, the amount of bonds or
58 notes the holders of which must consent thereto, and the manner
59 in which such consent may be given;
- 60 o. To covenant as to the construction, improvement, operation
61 or maintenance of its real and personal property, the replacement
62 thereof, the insurance to be carried thereon, and the use and dis-
63 position of insurance moneys;
- 64 p. To provide for the release of property, leases or other agree-
65 ments, or revenues and receipts from any pledge or mortgage and
66 to reserve rights and powers in, or the right to dispose of, property
67 which is subject to a pledge or mortgage;
- 68 q. To provide for the rights and liabilities, powers and duties
69 arising upon the breach of any covenant, condition or obligation
70 and to prescribe the events of default and the terms and conditions
71 upon which any or all of the bonds, notes or other obligations of the
72 authority shall become or may be declared due and payable before

73 maturity and the terms and conditions upon which any such
74 declaration and its consequences may be waived;

75 r. To vest in a trustee or trustees within or without the State
76 such property, rights, powers and duties in trust as the authority
77 may determine, including the right to foreclose any mortgage, and
78 to limit the rights, duties and powers of such trustee;

79 s. To execute all mortgages, bills of sale, conveyances, deeds of
80 trust and other instruments necessary or convenient in the exercise
81 of its powers or in the performance of its covenants or duties;

82 t. To pay the costs or expenses incident to the enforcement of
83 such bonds or notes or of the provisions of such resolution or of any
84 covenant or agreement of the authority with the holders of its bonds
85 or notes;

86 u. To limit the powers of the authority to construct, acquire or
87 operate any structures, facilities or properties which may compete
88 or tend to compete with [the project] *any of the projects*;

89 v. To limit the rights of the holders of any bonds or notes to
90 enforce any pledge or covenant securing bonds or notes; and

91 w. To make covenants other than in addition to the covenants
92 herein expressly authorized, of like or different character, and to
93 make such covenants to do or refrain from doing such acts and
94 things as may be necessary, or convenient and desirable, in order
95 to better secure bonds or notes or which, in the absolute discretion
96 of the authority, will tend to make bonds or notes more marketable,
97 notwithstanding that such covenants, acts or things may not be
98 enumerated herein.

1 9. Section 15 of P. L. 1971, c. 137 (C. 5:10-15) is amended to
2 read as follows:

3 15. The State of New Jersey does hereby pledge to and covenant
4 and agree with the holders of any bonds or notes issued pursuant
5 to authority of the act that the State will not limit or alter the rights
6 or powers hereby vested in the authority to acquire, construct, main-
7 tain, improve, repair and operate [the] a project in any way that
8 would jeopardize the interest of such holders, or to perform and
9 fulfill the terms of any agreement made with the holders of such
10 bonds or notes, or to fix, establish, charge and collect such rents,
11 fees, rates or other charges as may be convenient or necessary to
12 produce sufficient revenues to meet all expenses of the authority
13 and fulfill the terms of any agreement made with the holders of
14 such bonds and notes, together with interest thereon, with interest
15 on any unpaid installments of interest, and all costs and expenses
16 in connection with any action or proceedings by or on behalf of
17 such holders, until the bonds, together with interest thereon, are
18 fully met and discharged or provided for.

1 10. Section 17 of P. L. 1971, c. 137 (C. 5:10-17) is amended to
2 read as follows:

3 17. All counties and municipalities and other governmental sub-
4 divisions, all authorities, and all public departments, agencies and
5 commissions of the State, notwithstanding any contrary provision
6 of law, are hereby authorized and empowered to lease, lend, grant
7 or convey to the authority at its request upon such terms and con-
8 ditions as the governing body or other proper authorities of such
9 counties, municipalities and governmental subdivisions, authorities
10 and departments, agencies or commissions of the State may deem
11 reasonable and fair and without the necessity for any advertise-
12 ment, order of court or other action or formality, other than the
13 authorizing ordinance of the governing body of the municipality,
14 the authorizing resolution of the governing body of the county, or
15 the regular and formal action of any public body concerned, any
16 real property or interest therein which may be necessary or con-
17 venient to the effectuation of the purposes of the authority, includ-
18 ing public highways and other real property already devoted to
19 public use, provided that, *as to the authority's project in the mead-*
20 *owlands complex*, such real property is located within the 750 acre
21 site authorized for ~~the~~ *that project or upon a site outside of that*
22 *acreage, but immediately contiguous thereto or immediately across*
23 *any public road which borders that acreage*. No property of the
24 State, other than meadowlands, riparian lands or lands under water
25 and similar lands or interests therein referred to in Title 12, Com-
26 merce and Navigation, and Title 13, Conservation and Develop-
27 ment, of the Revised Statutes, as amended, shall be so granted,
28 leased or conveyed to the authority except upon payment to the
29 State of such price therefor as may be fixed by the State House
30 Commission.

1 11. This act shall take effect immediately.

STATEMENT

The bill permits the New Jersey Sports and Exposition Authority to acquire and utilize, in connection with the existing meadowlands complex which presently consists of not more than 750 acres, lands immediately contiguous to, or immediately across any public road that borders, the existing meadowlands complex.

This bill permits the authority to participate in ventures, either alone or in conjunction with others, for the establishment, development, acquisition, construction or operation of a baseball stadium

outside of the meadowlands complex, but within the State of New Jersey.

This bill also permits the authority to participate, either alone or in conjunction with others, in the establishment, development, acquisition, construction or operation of an aquarium or racetrack facilities outside of the meadowlands complex, but within the State of New Jersey.

This bill further permits the authority to participate, either alone or in conjunction with others, in the establishment, development, acquisition, construction or operation of a convention center or hotel complex within the meadowlands complex or upon lands immediately contiguous to, or immediately across any public road that borders, the existing meadowlands complex.

This bill further permits the authority to participate, either alone or in conjunction with others, in the establishment, development, acquisition, construction or operation of lodging facilities within the meadowlands complex or upon lands immediately contiguous to, or immediately across any public road that borders, the existing meadowlands complex.

This bill further permits the authority to participate, either alone or in conjunction with others, in the ownership, management or promotion of events, exhibitions, teams, team franchises or membership in professional sports leagues.

This bill further permits the authority to participate, either alone or in conjunction with others, in the establishment, development, acquisition, construction or operation of facilities, within or without the meadowlands complex, that are related to, incidental to, necessary for, or complementary to, the accomplishment or purpose of any project of the authority.

With respect to revenues derived from the operation and ownership of the meadowlands complex, this bill further authorizes the authority, after it has paid all costs associated with the meadowlands complex (including payments required to be made pursuant to resolutions adopted in connection with the financing of the meadowlands complex) and prior to the deposit of any balance remaining into the General Fund, to use all or a portion of that balance to pay costs associated with the issuance by the authority of bonds or notes in connection with the financing of projects other than the meadowlands complex.

This bill further authorizes the Racing Commission to allot annually to the authority, in connection with any racetrack project other than the one located at the meadowlands complex, not less than that number of days for harness racing and for running

rating which shall have been determined by the authority, prior to the issuance of any bonds or notes for such project, to be necessary in order to secure such bonds or notes and provide for the payment of costs and expenses in connection with such project.

The projects authorized by this bill would be economically and culturally beneficial for the citizens of New Jersey. They would help New Jersey's economy and create new jobs. In addition, the ability of the authority to participate in projects for the purpose of producing revenue to defray the cost and expense of all authority projects would permit the authority to participate in beneficial projects which would not otherwise be feasible.

SENATOR WYNONA M. LIPMAN (Co-chairman): I would like to convene this public hearing on Senate Bill 2516 and Assembly Bill 3000. These bills authorize the New Jersey Sports and Exposition Authority to undertake several developments.

I am Senator Wynona Lipman, Chairman of the Senate State Government Committee. I would like to introduce the members of the Senate State Government Committee: Senator Richard Codey; Senator Gerald Cardinale; and Senator Donald DiFrancesco, who are on my right.

I would now like to introduce Assemblyman Buddy Fortunato, Chairman of the Assembly Independent Authorities and Commissions Committee. He will introduce the Assembly Committee members to you. This is a joint hearing.

ASSEMBLYMAN BUDDY FORTUNATO (Co-chairman): Thank you, Senator. The members of my Committee are Assemblyman William Schuber, Assemblyman Guy Muziani, and Assemblyman Robert Hollenbeck.

I would like to ask Senator Carmen Orechio to be our first witness this morning.

SENATE PRESIDENT CARMEN ORECHIO: Thank you, Mr. Co-chairman and my colleagues. It is certainly a pleasure to appear at this Joint Committee hearing this morning as we embark on a very bold, exciting plan to make New Jersey the entertainment capital of this country, and probably of the world.

I am also very happy to join my colleague-counterpart in the other House, Speaker-Assemblyman Alan Karcher, in sponsoring this legislation, molded by professionals who have put together legislation that has far-reaching ramifications. I think this is a giant step forward for New Jersey, and I am sure it will be the envy of other states in this great nation.

Several years ago, or a decade ago, many of the skeptics viewed as folly the construction of a stadium, an arena, and a race track in a meadowlands swamp. However, those skeptics encountered individuals with dreams and with visions; they encountered men who would not accept the fact that this great complex could not be erected and operated in a swamp-land.

I think what we have seen as a result of this is a tremendous display of Republicans and Democrats coming together in a genuine spirit of bipartisanship that has brought about a concept which has now made New Jersey — as I said — the entertainment capital of this country.

At this time I think we also have to salute Governors Cahill and Byrne for their understanding and for their perception of how a dream can become reality, because without their support there would be no Meadowlands Complex.

What we have here is a legacy of pride that is to be continued. The tradition and the success of this complex can only be aided and abetted by this tremendous new concept which has the potential and the capability to expand this venture and enable the Sports Authority to construct, operate, and manage a stadium. It will also enable it to have a direct interest in sports franchises of all types; the capability to construct and operate a hotel and convention complex on the site; and the capability to use the surplus resources derived from the operation of the Sports Complex to aid in the reduction of debt that would be incurred by the new facilities constructed on this site.

I think that the cornerstone and the jewel of this bill is the fact that the Sports Authority will now have the capability to construct a stadium, off site, that will enable teams from other states, teams that are looking for new homes, to locate here. I don't have any hangups about whether this ought to be done in Essex County or in Hudson County. Of course, if it is in Essex County, I certainly would support it with a lot of enthusiasm. But, overall, this concept it going to generate jobs; it is going to generate interest; it is going to generate a lot of resources; and, I think it is going to give New Jersey a new look. This new look will be one which stands for a very progressive State that has a top-flight operating Authority with a top-of-the-line Executive Director.

I might add that I think in Bob Mulcahy we are very fortunate to have a gentleman of stature, experience, and savvy to serve as the Executive Director, or the Chief Executive Officer of this Authority.

As a matter of fact, several years back, during the Byrne Administration, when Bob Mulcahy was proposed to be the Executive Director, he was given unprecedented recognition by being named the Commissioner of the Authority. He is the only individual in a somewhat autonomous agency in New Jersey — and probably elsewhere -- to hold such a dual role. In that capacity he has the unique opportunity to be a member of the governing body that operates the Complex. At the same time, he is the individual who runs the Complex on a day-to-day basis, and establishes the day-to-day policy, for which I thank him.

Certainly Bob Mulcahy is aided by an outstanding Chairman in Jon Hanson, as well as other Commissioners who have tremendous experience in the business world and in the construction field — such as Peter Levine — who I think bring to the Authority the know-how, the experience, and the success stories that are so important toward making this Sports Authority a bigger success story.

This Sports Authority certainly has produced a record of accomplishment, and this record of accomplishment is now going to be, I think, capped by giving the Authority more tools to continue its record of success. I think this record of success is what generated the bipartisan support that has brought about the legislation which is before us now.

At the proper time, I will be very happy to answer some questions, but we do have experts here this morning to whom I would like to defer; they may want to supply the answers that someone in the audience may require. Thank you very much.

ASSEMBLYMAN FORTUNATO: Thank you, Senator.

Senator Lipman, do you have any questions?

SENATOR LIPMAN: No I don't. I would just like to call Assemblyman-House Speaker Karcher now.

Oh, do you want to ask questions?

ASSEMBLYMAN FORTUNATO: No, but we may have some members who would like to ask some questions.

Assemblyman Hollenbeck, do you have any questions?

ASSEMBLYMAN HOLLENBECK: Yes, I do. Senator, as the Assemblyman representing this specific district, this piece of

legislation has a great impact upon my legislative area. There are a great many highly technical questions which I am sure — as you said — members of the Authority can answer. Would you prefer I deal with those technical questions concerning the language within the bill through those people, or through you?

SENATOR ORECHIO: I will defer to Mr. Mulcahy, or to the other professionals here.

ASSEMBLYMAN HOLLENBECK: At the time of their testimony? Because we have a lot of questions. We met with the Authority on the bill and we spent some time on it, but there are still some technical questions that have to be asked.

When we are dealing with such unprecedented liberalization of authority laws in a state, and with the powers of an authority, a lot of questions always develop dealing with the subject; that is why I am asking this question.

SENATOR ORECHIO: I will defer to Mr. Mulcahy. By the way, Senator Lipman and Assemblyman Fortunato, I am going to make myself a member of this Committee today. Thank you.

SENATOR LIPMAN: Oh, be my guest. It is good to have you here with us, Senator.

ASSEMBLYMAN FORTUNATO: Are there any other members of the Assembly Committee who would like to make a comment or ask any questions? (negative response)

SENATOR LIPMAN: Okay. Speaker Karcher?

ASSEMBLY SPEAKER ALAN KARCHER: Thank you, Senator Lipman and Assemblyman Fortunato — Chairman Fortunato — and my colleagues from both sides. I, first of all, want to associate myself with everything that the President of the Senate, Carmen Orechio, just said. If you will allow me, I want to add just one point by way of emphasis.

President Orechio said that the things which would be brought to this State through the enlargement of the powers of the Sports and Exposition Authority would be resources, jobs, attention, and interest. There is one other very, very important element which is particularly of concern to us here in New Jersey, and that is, it will bring additional pride to this State.

You will have to indulge me, but I feel a great sense of satisfaction, gratification, and vindication this morning, as one who has, for a long time, considered himself to be a New Jersey booster. When I read a New York newspaper today and I saw their headline, I thought, "How wonderful it is for all of us here in New Jersey to have justifiable pride in the fact that we are no longer a State that reacts to a sister state. We no longer have to respond; we are the actors. We are what is happening, and our sister jurisdictions are forced to react to us." I think that is something we can all take a great deal of justifiable pride in.

As a sponsor of companion legislation to Senator Orechio's bill, A-3000 in the Assembly, I personally welcome the prospect of a New Jersey stadium and a Major League franchise in New Jersey. As many of you know, the Sports and Exposition Authority's various enterprises have enjoyed the strong backing of the Legislature throughout its brief history. The confidence that the Legislature has demonstrated in the Sports and Exposition Authority has been rewarded; it has been rewarded one hundred fold. New Jersey has become a first class sporting state. We have major league football, basketball, ice hockey, world cup soccer, world class horse racing, and auto racing. These are just some of the expositions that the Sports and Exposition Authority has brought to us here in New Jersey. Above and beyond that, I think it is important for us in New Jersey to remember that it has brought us thousands and thousands of jobs.

I want to digress for a moment and share with you an anecdote that is true. I think this demonstrates everything that has to be said about what this does for the economic health and prosperity of our area. A few weeks ago I was enjoying my alma mater's victory over West Virginia at the Meadowlands, and I was in the company of two very, very well known — nationally known — figures, one of whom has had a long association with New Jersey and Rutgers University, and one who has a great deal of national prominence and who is sometimes known to be kind of skeptical and cynical. A New Jersey booster was explaining to and reminding this gentleman of the fact that ten years ago he told him that within the next decade he would see a Hilton Hotel in Secaucus.

He said, "Not only do you see one; you now see two." I have to tell you that the other well-known broadcasting figure was a bit chagrined and had to admit that what had taken place in the Meadowlands area had truly been an economic miracle of sorts.

The proposed amendment to the Sports Authority Act is part of our big dream here in New Jersey, and that dream is already coming true. It has propelled us into the first ranks — the front ranks — of the nation's sports scene.

So, it is without reservation that I join with my friend and colleague, President Orechio, and with Governor Kean, in pledging my support for this amendment and all it will enable us to do. I do this in a spirit of bipartisanship and cooperation. I again want to echo the commendation and the recognition which is rightly due to the Governors of this State — such as Governor Cahill and Governor Byrne — for their support, which of course was also on a bipartisan basis.

I well recall my first year in the New Jersey Assembly. It was in 1974, and one of the first matters that then-Assemblyman Cody and I — and others — were asked to do was to demonstrate our continuing commitment and support by voting for the Meadowlands project. I was glad to do it then and certainly that support given in 1974 has been more than rewarded and justified.

This particular bill — and certainly the passage of this bill — will send a signal, and that signal, upon passage of this legislation, will be a clear, categorical, and unequivocal signal to those who are ready, willing, and able to come to New Jersey, and who are anxious to come to New Jersey. We, in turn, in this State are ready, willing, and able to do our part so that we can have major league baseball in our State.

I am happy to add my efforts to those of Carmen Orechio and the Governors in order to bring about a professional sports team, one with a true New Jersey identity, because I think that is very, very important as well.

Finally, let me thank the Committee, particularly the Assembly Committee, for their prompt and diligent response to the importance of this legislation. I want to commend you for taking the

time from your otherwise very busy schedules to be here. Guy Muziani, particularly, came all the way from Cape May today, and that is an effort that should be recognized. It is a sacrifice that we are all appreciative of. I, as Speaker, am particularly appreciative of this sacrifice. I hope you will give this measure your normal and expected reasoning, mature reflection, and consideration. I also hope you will do this expeditiously so that we can act on this bill, hopefully before Christmas.

With that, Mr. Chairman and Senator, I thank you very much.

SENATOR LIPMAN: Thank you. Mr. Speaker, are you going to join us too?

ASSEMBLYMAN KARCHER: Yes I am, if I can find a seat up there. I have to find a chair. I am liable to take this chair with me, but I am going to do join you a while, Senator.

ASSEMBLYMAN FORTUNATO: I believe Assemblyman Hollenbeck has a question for the Speaker.

ASSEMBLYMAN HOLLENBECK: Mr. Speaker, in deference again and as the legislator who represents the district where the Sports Complex is located, this bill does cause unprecedented liberalization of the Authority laws and their powers, and it brings up many technical questions. Would you prefer that I hold those questions for a member of the Authority, so that he can answer these technical questions?

ASSEMBLYMAN KARCHER: It is not a matter of preferring it, but in all proper humility you will get better responses from them than you will from me.

ASSEMBLYMAN HOLLENBECK: Thank you.

ASSEMBLYMAN FORTUNATO: Are there any other questions of the Assembly Committee? (no questions)

SENATOR LIPMAN: Nor are there any from the Senate.

ASSEMBLYMAN FORTUNATO: Thank you, Mr. Speaker.

I would like to ask Jon Hanson, Chairman of the Sports and Exposition Authority, and Bob Mulcahy, its Executive Director, to step forward.

JON HANSON: I have asked that the prepared statement I have with me today be handed out to the various members of the Legislature.

Senate President Orechio, Speaker Karcher, Senator Lipman, Assemblyman Fortunato, and distinguished members of the Legislature: I would like to begin my brief remarks by extending to all of you the thanks of my colleagues on the Sports Authority for the time and consideration you and your colleagues have given to reviewing the needs and aspirations of our agency. I think it is important to point out to you at the very outset that the legislation now before you represents hundreds of hours of work involving individual members of the Legislature, members of the Governor's staff, the key personnel of the Sports Authority, bond counsel, and others. Those hours of consultation and deliberation had as their only purpose a determination to strengthen the Sports Authority in their position as the sports and entertainment capital of the nation. The aim of all was to equip our agency with the tools it needs to continue that leadership to the year 2000 and beyond.

I would like to publicly commend Governor Kean, Senate President Orechio, Speaker Karcher, and the respective Majority and Minority Leaders of both Houses, as well as the Chairmen of the key Committees represented here, for the truly bipartisan, objective approach they have shown throughout their deliberations.

In recent years, the Sports Authority has entertained delegations from the South Korean Olympic Committee, the Israeli Knesset, and representatives of governments in South America and Europe, as well as delegations from California, Maryland, Georgia, and various city and state governments. They all want to know how to create a sports authority and the secrets of our success. In every instance we have always begun with the indispensable ingredient of bipartisanship.

The legislation before you represents the first substantial change in the Act that created the Sports Authority 13 years ago. Simply stated, it would put the Authority in a position to enhance New Jersey's efforts to obtain a major league baseball franchise and would permit the Authority to become more directly involved in the management or ownership of racetrack facilities elsewhere in New Jersey. The legislation is needed in order to enable the Authority to take

advantage of present and future opportunities and to solidify New Jersey's leadership role as the sports and entertainment capital of the nation.

Permit me, if you will, to briefly summarize some facts and figures to underscore the position we now enjoy and must protect. The Meadowlands Sports Complex is presently attracting nearly ten million visitors a year. I would like to repeat that, ten million visitors a year. That is a number that surpasses the total population of the State of New Jersey. The Meadowlands Racetrack alone has hosted forty million persons, and is rapidly approaching the five billion dollar mark in total money wagered on harness and thoroughbred racing since the track opened its gates in 1976.

Giant Stadium is home to not one but three professional football franchises — the Giants, the Jets, and the Generals. The internationally famed Cosmos have attracted thousands of new soccer fans, and people throughout the world have been given the opportunity to enjoy televised Cosmos games from East Rutherford. Our college football Kickoff Classic is now recognized as one of the most significant college football games of any season. The Stadium has been the site of such landmark concerts as the Michael Jackson Victory Tour and the Willie Nelson 4th of July Picnic.

The third jewel in the Meadowlands' crown is the Meadowlands Arena. Our Arena hosts the New Jersey Nets of the N.B.S., the New Jersey Devils of the N.H.L., indoor soccer, big-time college basketball, nationally acclaimed track and field, college and professional wrestling. It has emerged as a national center for family shows and concert performances. Last year Meadowlands Arena served as the focal point for the reintroduction of Indy-style car racing in the Meadowlands Grand Prix. The Meadowlands Grand Prix was seen live by thousands of racing fans and attracted millions of television viewers in homes across the country.

I ask each of you to view this legislation against this backdrop of success. I believe that the Sports Authority has kept its promises to the people of New Jersey. The Sports Complex was built and is operated without a single dime of taxpayers' money. To the

contrary, since 1976, the Meadowlands has produced almost \$110 million dollars in revenue for the State from the Authority's operating surplus. It has generated one-half of one percent from the handle at the Racetrack, and income and sales tax. Economists estimate that every dollar spent at the Complex represents a full \$2.50 to the economy of the State, or a total economic impact of \$235 million a year.

The Sports Complex employs nearly 4,500 full- and part-time workers, has an annual payroll of \$50 million, and pays out more than \$50 million in purses to horsemen, boosting a racing industry with 33,000 workers in New Jersey.

We appear before you today to ask for speedy passage of this legislation because of our belief that there are new opportunities as well as new challenges facing the Sports Authority. We believe that some of the opportunities are of a fragile nature and should be acted upon with due diligence and speed. It is in this context that I respectfully ask you to grant the Authority the additional tools it needs to, one, continue to be competitive in the areas in which it is now preeminent, and, two, to enable the Authority, which has done so much to build a sense of pride and accomplishment in New Jersey, to prepare itself for new opportunities in the sports and entertainment fields.

Although he needs no introduction, I am joined here by Bob Mulcahy, my fellow Commissioner and Chief Executive Officer of the Sports Authority, who will deal with the specifics of the legislation and who will hopefully be able to answer the questions you may have. Bob?

ROBERT MULCAHY: Thank you, Jon. This is the one-two punch here. First of all, I would like to thank Senator Orechio for his kind words. All he did was to make it more difficult for me to live up to the comments he made.

I also want to thank Speaker Karcher, Senator Lipman, Assemblyman Fortunato, and the other Senators and Assemblymen who are here -- not only today, but for your support in the past also.

I want to reiterate one statement the Chairman made. This legislation, the first substantive change in the Act which was created in 1971, would put the Authority in a position to step up our efforts to both act in the area of baseball, racing, and certain other revenue areas.

I want to make one other point: We do not want to fuel speculation that we are about to unveil a new baseball stadium, or to purchase or manage additional racing facilities. We do want to be in a position to move into these areas and to be prepared to move quickly if and when the opportunity arises.

It has been amply said this morning, that the Authority has a record of success in almost all aspects of our operation. I would like to particularly highlight our fiscal planning which has taken place in the past, and which obviously has to be a cornerstone for any new venture.

I think the track record of the Authority is a particularly important perspective when you assess this proposed legislation. We do not take our responsibilities lightly. We have carefully considered the steps we think we ought to take in order to keep ourselves in a competitive position.

Specifically, the legislation in question would permit the Authority to accomplish the following things:

1. Construct, operate, or manage a baseball stadium at a site other than the Meadowlands Complex.
2. Construct, operate, or manage an aquarium at a site other than the Meadowlands Complex.
3. Establish, operate, manage, or lease a convention center and/or hotel on, or immediately contiguous to, the Meadowlands Complex site.
4. Construct, acquire, operate, or manage race track facilities located in New Jersey, but outside the Meadowlands Complex.
5. Acquire, own, operate, manage, or promote, in whole or in part, either directly or indirectly, professional sports teams which play at the Authority's facilities within the confines of the constitutionality of the State of New Jersey.

Although the Authority would prefer to remain the lessor, it would like to have the option of obtaining an equity interest in these franchises, if necessary.

This is simply an additional tool for the Authority to use in dealing with problems surrounding the relocation of professional teams from other sports facilities throughout the country, a problem heightened by a recent court ruling dealing with the movement of the Raiders from Oakland to Los Angeles, the Baltimore Colts, and now, of course, the threat of the Eagles' movement.

This legislation will also authorize the Authority, after it has paid off costs associated with present facilities, to use all or a portion of the surplus remaining to pay costs associated with the financing of new projects.

I would like to express the Authority's appreciation for the support announced by Governor Kean and the legislative leadership, and also the cooperation and time devoted to the Authority's needs by members of the Legislature and by members of the Governor's staff.

Now, there are a couple of technical amendments that have been discussed that I think may clarify some issues. If it is appropriate at this time, Mr. Chairman, I think it is probably easier to walk through them because they may answer some of the questions that are here.

First, there was an issue regarding clarification of the racing portion of the bill. I have copies of an amendment here which we can hand to you in order to have them passed out to the members of the Committee.

We are suggesting that you may want to consider this as a response to some questions that have been raised, and it clarifies the provision in the bill regarding racing dates in the event we would ever have the occasion to operate or own another track. Specifically, the language says— If you can see it there, it has to do with the number of racing dates. It takes out the mandatory language that is contained in the bill before you, and says, "And, which was previously operated by an operator other than the Authority not less than 'such' number of days for harness racing and indoor running racing, as was last allotted

by the Racing Commission to the prior operator, if and to the extent that application is made therefore."

SENATOR LIPMAN: Do you want to ask about this amendment?

SENATOR CODEY: About this amendment? No.

SENATOR LIPMAN: Do any Senators have a question about this amendment? (no response)

ASSEMBLYMAN FORTUNATO: Mr. Mulcahy, is there any reason for this amendment?

MR. MULCAHY: Yes. There was a concern expressed by some of the legislators. They did not think the language was clear enough and there was an assumption that there may be some usurpation of the Racing Commission's authority to allocate dates. So, we felt it was much easier to clarify the language; then there would be no questions about it. And, it is for your consideration. You may act upon it in any way you see fit.

ASSEMBLYMAN FORTUNATO: Thank you.

MR. MULCAHY: The second proposed amendment deals with the convention site, and is an effort to clarify the language. There was a concern raised that the language may have been ambiguous and that it permitted a convention center anywhere other than on the current site, or on a site immediately adjacent thereto. By deleting, on page 7, section 4, line 11, the words "out of site but within the State of New Jersey," it takes care of the whole issue. I would offer this for your consideration.

I might also comment, in relation to the hotel and convention site, the language in the bill, at the present time, permits — and this is the old legislation, 1971 — that any part of the site not occupied by the facility of the project may be leased, including, but not limited to, hotels and other accommodations, and so on. What we have attempted to do with this is to simply clarify what we can do here so there would be no issue.

There is a third point I wish to raise, Mr. Chairman, if you will permit me to?

ASSEMBLYMAN FORTUNATO: Yes.

MR. MULCAHY: We will then be finished.

There was a concern expressed by the resident Assemblyman from the district that an effort on our part to clarify the language in the bill, concerning the percentage of surplus that goes to the Hackensack Meadowland Commission, might make a difference in the language. We have no objection to deleting that, and this would, in effect, retain the language that is currently in the bill. We see no difference. We are simply trying to do something which we thought would clarify it. But, in deference to the wishes of the home Assemblyman, so to speak, we have offered technical language that would accomplish this.

ASSEMBLYMAN FORTUNATO: I am sure he will be interested in seeing those amendments.

MR. MULCAHY: Mr. Chairman, those were the questions that were raised and that we felt dealt with the language in the bill. Mr. Hanson and I stand ready to answer any other questions that anyone may have.

ASSEMBLYMAN FORTUNATO: I have a couple of questions, Mr. Mulcahy.

MR. MULCAHY: I assume, Mr. Chairman, you will let either one of us answer the questions?

ASSEMBLYMAN FORTUNATO: Sure. Definitely.

In the spirit of bipartisanship which seems to be the theme here today, as always, I would hope that we will get communication from both of you.

I recently read a statement that I think we all should be concerned with: We are all excited by the prospect of enlarging the scope of New Jersey's entertainment atmosphere, but is it a rocket that is going to go up and then turn right around and come back down again if it doesn't have a proper foundation and a proper study behind it? With that said, what is generating the dollars from the Sports Authority that we now see -- the profit structure?

MR. HANSON: I will endeavor to answer that, Assemblyman. Primarily, the bottom line -- or the profit, as you expressed it -- is generated from the activities of the race track. The other facilities, before debt service, do produce a positive bottom line; but, when you

take into consideration the debt service payments, profits come predominantly from the race track facility.

ASSEMBLYMAN FORTUNATO: Is there any reason why the other facilities do not generate the same bottom line?

MR. HANSON: The same bottom line?

ASSEMBLYMAN FORTUNATO: I am not talking about the figures; I am talking about the profits.

MR. HANSON: Well, they do generate a profit before debt service; they do it to a lesser degree. The race track obviously has more usage, and it is a more profitable business.

ASSEMBLYMAN FORTUNATO: Have you discussed, or has there been any discussion regarding methods of finance for these potentially new facilities?

MR. MULCAHY: Well, I think you put it into proper perspective, Assemblyman, at the outset of your question, when you talked about the foundation by which we look at these things. First of all, we have been very careful. Both the Chairman and I reiterated this this morning. It is not our purpose to fuel speculation that may be unwarranted. However, if one is going to be a player in a game, he has to get into position to be a player in that game.

Secondly, if you look at the financial success of stadiums and arenas in the country, you will see that ours are at least as successful, or more successful, than the others are. It is simply that because of the nature of the events held in these kinds of facilities, they do not produce the kind of revenue that a facility such as a racing facility can produce. When you look at the fact that a stadium and an arena will each produce a positive operating profit this year of somewhere around \$3 million — or maybe slightly in excess of that — that is probably as good as any in the country. You can then begin to understand that a race track may produce as much as \$39 million in operating profit and that is the relationship which was carefully conceived in the original legislation. This is how we have been successful in putting this thing together.

Secondly, we would not go ahead without all the necessary studies that have to be done before any project goes ahead — the

feasibility studies, environmental impact statements, traffic studies, etc. Nobody is going to finance these projects if we do not have a solid foundation -- which gets back to your point -- on which to proceed.

So, all of these kinds of guarantees, as well as the approval of the minutes by the Governor, would have to be done, just as they are being done now.

Our effort is -- in looking at areas and opportunities in the future -- to look at what we have to do and at what potential might be out there now. It just seems as though there is an awful lot of action in two or three areas right now, and if we are going to move, "now" happens to be the time to do it. That is not to say something will definitely happen, but at least we are going to be able to be an active participant.

ASSEMBLYMAN FORTUNATO: I agree that your timing is correct, but do you feel that the State should be competing with the private sector? Looking at this bill, there are provisions in the bill which indicate that the State is now-- I am a capitalist at heart, and I think there are others of us who are also private-sector oriented. I believe that we are beginning to step beyond the scope originally intended by operating a hotel, owning an athletic team, etc.

MR. MULCAHY: I think those are legitimate philosophical questions. I think it is the opinion of the Commissions of the Authority that that issue was resolved in 1971 when we were put in this business. I think you have to understand that we are competing, on a daily basis, with interests in other states, both in racing and in the facilities business. We have \$450 million that has been expended to put us into business, and part of what we are doing will enable us to compete on an equal footing.

I think that philosophical question was decided in the original legislation. Whether or not it may have been right at the time, I do not think is at issue now. We are here; we have had a record of success; and when you look at what it means to the State of New Jersey, then I think we have a responsibility to make sure we continue with this position.

Chairman, unless you have some other response to that, that is my opinion.

MR. HANSON: I do want to comment on the \$450 million. That is bondholders' money, and we have an obligation to them.

To turn the question around, I don't think we should be at a competitive disadvantage either. I don't think we should have a greater advantage, nor do I think we should have a lesser advantage. That is one of the reasons why you see various areas within this bill: We think we need to produce additional revenue, for example, if we are going to have a baseball facility, and not just solely rely on the baseball facility. Maybe that is what you were directing your question to.

ASSEMBLYMAN FORTUNATO: Thank you. I have no further questions.

SENATOR LIPMAN: I just wanted to say something to Mr. Mulcahy. You said this legislation will put you in the proper position to attempt these projects. Mr. Hanson has suggested that you are going to have a financially-sound operation. Have you any preference regarding which projects you will attempt to do first, or will you try them simultaneously?

MR. MULCAHY: I think, Senator, priority will probably be dictated by events that are beyond us. They are dictated by events which take place in the marketplace, and they may or may not happen at all. But, if someone were to walk in with a proposed sale, or a proposed deal, we would have to be in a position to— But, I can't sit here today and tell you there is any one thing on the table.

SENATOR LIPMAN: Do any Senators have questions? Senator Codey?

SENATOR CODEY: Yes. Madam Chairlady, just let me start by saying that I think Bob Mulcahy is one of the finest individuals I have ever had the pleasure of dealing with in government or in private industry. He is a real "class" individual, and I am very, very happy that government has him. He has done a great job. I have no reason to believe that Chairman Hanson has done anything but a superb job also since becoming Chairman only a couple of years ago. I also see

Commissioner Levine here, who has been on the Sports Authority a long time and I know he will be unanimously renominated tomorrow by the State Senate for another term -- a well-deserved term.

However, at this point I have to beg to differ with the Sports Authority in terms of where they are going and why they were put here. I have been in the Legislature 10 years now, but I do not date back to the original legislation. I would think, however, that it would only be common sense to say that the idea and the concept behind the original Authority was due to the fact that private industry could not do, or was not willing to do, what an Authority could do -- namely erect a stadium -- because it is a loser; it could never make money. So, we used the race track as a catalyst to build a stadium, draw the Giants over -- even though they are not the New Jersey Giants -- and develop the Meadowlands.

I do not think the Authority was ever meant to be a developer. I know Mr. Hanson and Mr. Levine are successful private real estate developers, and I am sure they have great expertise in that area. But, I always thought the Complex would be a catalyst to spur private development, whether it be a hotel, or whatever kind of private ancillary businesses would spring up as a result of the Authority. I thought it was your mandate to do that, and I think you have done that well. Industry and private businesses have sprung up as a result of you being the catalyst, and I think you have done a great job. But now we want to be the developer and not the catalyst.

Chairman Fortunato mentioned something before about funding the stadium -- which we all know is a loser; it is going to lose money -- and buying a franchise. I would say that most franchises today are losers. They lose money. They lose millions of dollars. They are owned by wealthy individuals who, for various reasons most of which is due to ego -- own ball teams. I haven't heard how we are going to fund this. I would be more prepared if you said to me: "The stadium is a loser, but I think it is in the best interest of the people of the State of New Jersey for us to have a stadium and a ball team." I would then say, "Yes," and I would be willing to say to the taxpayers of the State of New Jersey, "Whatever the deficit from a stadium is, we should

fund it because the pride and the joy of bringing major league baseball to the State of New Jersey is such that it is in the best interest of the public in the State of New Jersey, and it is in the public good to fund a stadium," and then go on from there.

With regard to the hotel — going into the hotel and convention center business — I have no problem with competing with the State of New York. I would have a problem with competing with Atlantic City. I have been trying, as you know, for a long time to get Atlantic City to upgrade its facility — namely Convention Hall — in order to bring about the kind of conventions that we should have here in our State, because Atlantic City is in the State of New Jersey. I think it may very well be competing with our own interests within the State to have another convention center. I do not see any reason why another hotel, if it is so needed, cannot be built within the area by private sources, and by private industry.

With regard to the surpluses, I think if we pass this we will kiss them good bye. We will never again see any money from the Authority put into the Treasury of the State of New Jersey, because it will be used for other reasons. If it is used for a stadium, I have no problem with that; I would be very willing to support it.

With regard to going into the race track business, I don't know the particular year it was — 1975, maybe — but after the Garden State fire, the Sports Authority wanted to acquire the Garden State Race Track. Mr. Mulcahy was then in the Governor's office and he knows well how vigorously I opposed that, and how I said that government need not go into something that private industry could do. If we could see that private industry could not do it, and if there was an overriding public welfare need, then government could step in and do it, and I would have no problem with that. As it happened, private industry and private capital went into it and now, obviously, from what I read, the Garden State Race Track is being rebuilt, and it will once again be a centerpiece for racing in the State of New Jersey.

I understand some of the Authority's concerns with regard to thoroughbred racing in New Jersey, and it being a cornerstone of thoroughbred racing. I would be willing to vigorously support any

attempt to keep this State the cornerstone of thoroughbred racing. But, in terms of going into another race track, I think you would agree that the race track business in the last 10 years has not been a profitable one. I think when I entered the Legislature we were receiving something like \$46 or \$47 million in revenue from race tracks. I think that is now down to maybe \$2 or \$3 million, at best. We went from an eight percent tax on race tracks to where we now tax race tracks at a rate of one-half of one percent. So, you can see where that business has gone, due to lotteries and due to other states having gambling, states that did not have it more than a decade ago.

So, for these reasons I feel that this bill, as it is presently written, is not in the best interest of the people of the State of New Jersey. But, certainly, if you people feel there are some amendments that you could offer, or that I could offer and you could support, I would be very happy to join the bandwagon, because I am very much in favor of seeing a baseball stadium built and seeing major league baseball come to New Jersey. I will be one of the first persons to write a check for a season ticket, if I can afford it. Thank you, sir.

SENATOR LIPMAN: Do any other Senators have statements or questions? Senator Cardinale.

SENATOR CARDINALE: Madam Chairman, I would be very interested in hearing Mr. Mulcahy's response to many of the points that were made by Senator Codey, and that were initially raised by Senator Fortunato.

In particular, I seem to hear you saying that race track revenues are going to be needed in order to offset the additional outflow of cash — whether that be capital or operating — to fund the operations of the stadium. I may not be correctly interpreting what I am hearing. It may very well be that you could fund the stadium totally without a race track. So, the first question I would like to ask you is this: Are the various elements of the new authority you are seeking interdependent on one another in some way, to the degree that one is absolutely essential before another one can begin?

MR. MULCAHY: Senator, I think the answer to that is a little bit complex because it can be both ways. If you look at the way in which the Authority functions now, the race track revenues are the key ingredient which provide the operating profit. Because racing is important — and very important — we look at racing as a separate issue; we have to maintain our position in the racing industry.

If you look at the fact that there are three tracks in the State right now that depend on us for their simulcasting revenues, racing is in a transition stage. We are not sure where it is going in the next year. Because the racing issue is so important to us, we feel it is important you give us flexibility in that area. We have had proposals from these tracks to take our simulcasting, which has worked. The Supreme Court has the issue before it right now, which may or may not affect it. But, racing is our business. We were put in that business. We are the promoter. We don't depend on anybody else for it. We have to protect it. It also has been the linchpin that has provided the revenue for the other things.

Despite the fact that there may be a decline in racing revenue, the fact is that this year we will probably net \$38 to \$39 million instead of \$42 or \$43, and that is still a significant amount of money. And, when you look at the racing industry in this State, with 33,000 people affected and with \$50 million in purses, there is an awful lot at stake besides what is just there.

The second aspect of your question is yes, if racing is able to generate money in other places and if we find a way to do it, that could be one of the mechanisms used to help finance it. But, there are many varieties of how to put together a deal such as this, that until we get one in place, it is difficult to say. It is a combination of factors: It is possible; but it may not be possible — if you understand what I am saying.

MR. HANSON: I would like to comment, if I may, Senator. In response to the statement Senator Codey made, I would agree with him that a baseball facility, as we now know these facilities, would be marginally profitable, and it may be a losing proposition. That is one of the reasons why we have asked for these additional areas of

responsibility which could generate revenue. However, unless you have a specific proposition before you, you can't definitely say an aquarium or another race track would offset the operations of baseball.

However, I do not believe conventional financing by itself could be generated just from the revenue source of a baseball stadium. There would have to be some other type of financing used.

SENATOR CARDINALE: The reason why the answer was so interesting to me was just this: I have been sitting on this Committee for close to six years now, in one or the other Houses. Each year race tracks have come before us, from all over the State, and they have universally stated they are losing money; they have universally stated that one of the reasons they are losing money -- and I think this has to be substantiated as a fact -- is because there were tax differentials between what they, at any given time, were expected to pay out of their handle, as opposed to what the Sports Authority's facility was expected to pay out of its handle.

Now if, in fact, you have more or less enjoyed this tax benefit, generated because you are an Authority, when you go into some of the other areas do you believe that you are still going to generate revenues because of that, or will your experience be similar to the experience of other operators? You are now getting pretty close to being even with them, and yet some of these places are still not profitable. I think this is a serious question that we have to address, or we at least have to know the answer to.

You may very well tell us that you don't think this is going to happen, and we might still give you the authority, but I think we all ought to know what we are doing as we approach this.

MR. MULCAHY: I think there are a combination of factors concerning the other race tracks. It is true that they asked to even out. But, I think you have to look at what has happened to racing. There is a whole background to racing, and there have been a series of things that have happened with certain tracks. Certainly, Atlantic City Race Track's problems are a combination of many factors, not the least of which is their proximity to the casinos. I think there are other factors that are probably better left unsaid if we do not intend to comment publicly on some of the other tracks.

But, there was a proliferation of racing that I think is now withering in the East, and I think we have become a major player. We are certainly the dominant harness track in the world. We are probably the fourth or fifth best thoroughbred track in the country. And, when we begin to create an industry, which is bringing in breeding farms, and all the ancillary benefits we talked about before, I think we have to be in a position to protect our racing. That is first and foremost. I think that is as much behind the racing aspect of this as anything else. When we find we have the ability to generate additional revenue, obviously it is helpful to do it.

SENATOR CARDINALE: The third area I wanted to open some discussion on concerns the tax provisions which you and I discussed previously. I have seen how it has been drafted. It does not appear to me that all of the municipalities in which you own facilities are being treated equally by this. Now, do I misread that, or has that point just not been addressed?

In other words, in your present complex there are certain in-lieu-of-tax payments which are given to the municipalities located in that area. It seems to me that the provision you have drafted, with respect to purchasing other facilities, would be more favorable to those communities than it is to the communities here. I believe that was an element of our conversation, but I didn't see the reverse happening. Is that an oversight, or did I misread something?

MR. MULCAHY: No, it is not an oversight, Senator; it is a question of a different situation and a different set of circumstances. You are quite right about the amendment you mentioned. We had a discussion about it: Did it relate to our possible purchase of a race track, and what would happen to the tax payments that were made to that municipality? The amendment that is in the bill now, as I understand it, would provide that we would pay whatever they were paying, unless we sold off property which would enable the municipality to gain additional revenues that could compensate what we pay.

The difference is, in the current cycle in which we exist now, when the site was originally put together there was an agreement with the Borough of East Rutherford that provided for a lump sum

payment as well as, I believe it was, a ten-year payout. That was a different set of circumstances, addressed in the beginning. There were no facilities there when that happened. I believe we now pay, to the Borough of East Rutherford, about \$880 thousand a year. I think there are another five or six years left in that agreement, at which point it will have to be redealt with.

Secondly, in the last year, the Chairman renegotiated an agreement with the Borough of East Rutherford to provide some additional moneys as the Compensation Commissioners awarded some additional moneys. So, there was a different set of circumstances there, where there was a negotiated settlement prior to the construction. Here, we attempted to deal with something by not hurting anything that already existed.

SENATOR CARDINALE: I understand that. I don't represent East Rutherford specifically, although I guess we all represent all of the municipalities in the State. But, even though that is the case, I still get mail from many of the municipalities that are involved in your complex, municipalities that complain of what they see as a tax loss, that they are in some way suffering by virtue of your facilities being there. I have no way of knowing whether that is true or not, but it is a claim that is made.

They point to things such as providing ambulance service and other things for which there are certain expenses and certain losses which they would not have if they were able to have certain other ratables which might otherwise obtain those facilities. We often hear that. We hear that with respect to the Port Authority. It is not unique to the Sports Authority. But, it seems you are addressing that in a very fine way by what you seem to be willing to do with respect to a race track you might purchase.

The issue I raise here is, is there any hope that we might see some betterment in the lot of those who are already in this business by perhaps matching that in some way over a period of years?

MR. MULCAHY: Senator, I think there a couple of responses to that. One, the ambulance issue is an interesting issue. We attempted to -- or at least there was a thought to do this -- provide our own

ambulance service, and the cries from all the municipalities and the volunteer squads was, "You are cutting us out. We want to be there." They wanted to be at the games. They wanted to be on the facility, so we immediately forgot about furthering any thought regarding that.

While they may talk about the fact that it is costing them, they wanted it. We were willing to take on those services.

Secondly, we have looked at the costs, particularly in the Borough of East Rutherford, with relation to the cases that may come before the municipal court. We have had discussions with the Mayor. The Chairman and I were there. We looked at the net revenues that come to East Rutherford, and they are in excess of what the costs are.

I think the third thing here was mentioned in Jon's statement. We have been the catalyst for over \$1 billion in investment in this district. So, I think when people talk about losing tax ratables on the one hand, they are forgetting that we have been the catalyst for \$1 billion. I think that has to be taken into account when you look at this.

Fourth, and last, the agreement ends in, I think, six years.

MR. HANSON: Three more years?

MR. MULCAHY: Three more years, at which point it will have to be renegotiated with the Borough of East Rutherford.

SENATOR CARDINALE: Thank you. I think you have answered all my points.

SENATOR LIPMAN: Senator DiFrancesco?

SENATOR DiFRANCESCO: I have just a couple of questions, Bob. First, with respect to what you were just referring to -- Bob or Jon -- my recollection, the last time I was on this Committee -- and I think I mentioned this to Dick or Jerry -- was when the Port Authority wanted to build a hotel near the Newark Airport -- I guess it was -- and Mayor Gibson screamed. Maybe I shouldn't use that word. Mayor Gibson complained that he would get no tax revenues in, and some accommodation was made. I assume, if and when needed, you would make the same accommodation, or a similar accommodation, where it is possible.

MR. MULCAHY: It all depends upon how the deal is constructed, Senator. There are a variety of ways; and, obviously, if they are involved there will be tax payments. The important fact here, I think, is that the 1971 Bill provided that we could have a hotel on that site. All we attempted to do with this language was to clarify it, particularly as it related to adjacent properties if we needed an entrance or an exit on contiguous property.

The other part of the contiguous property argument deals with the potential for trading wetlands. Now, you have all read in the newspapers about the difficulty we have had with the area east of the arena. It is fully circumscribed by existing roads on our property; yet, it is a wetlands area, and it is part of the traffic problem there. We are in the process of applying to the Army Corps of Engineers with all the required permits; but, part of that issue is that we may have to mitigate wetlands and we may have to do it on a contiguous basis. There were two reasons for that language in the bill.

SENATOR DiFRANCESCO: Bob, it would seem to me that in reading the memo regarding what the powers technically are, legally it may not hold much water. I would just like you to state, either Jon or yourself, what the real intent was here with respect to your abilities if this bill passes. In other words, do you intend to run out and buy a baseball team? Do you intend to run out and buy a race track? Do you follow what I am saying? If you look at the extremes in all the cases we are dealing with here, then it does seem like a rocketship that goes up into the air. What is the real intent here?

MR. HANSON: Senator, if I may comment on that, first of all, anything we do would first have to be determined by us as being economically viable. That is the first thing.

I think we may be in a better position to receive inquiries made to us, more so than our getting a team of salesmen to go out and see how many ventures we can get into. I think we are in a position to have more than just a conversation. Periodically, people have called Bob, or they have called me, or the other Commissioners, and we talk to them. We say, "We can't talk to you any further."

I think we would be in a position to see whether the projects make economic sense. I don't envision, for example, that we would speculate on building a facility. We would only act when we have a match: financing, a franchise, a location, and economic sense. Only then would we go forward. Otherwise, all we are asking for is an increase in the powers, not to go out on a speculative building venture.

SENATOR DiFRANCESCO: Jon, finally, the only three items I read -- at least from this memo addressed in the bill -- that can be located anywhere in the State are a baseball stadium, a race track, and an aquarium.

MR. MULCAHY: That's correct.

SENATOR DiFRANCESCO: Anything else that is contiguous to--

MR. MULCAHY: (interrupting) But it is an existing race track; it is not a new one.

SENATOR DiFRANCESCO: We don't give you the opportunity if you want to, or if you needed to, to rebuild a facility?

MR. MULCAHY: I stand corrected. I think we can, but it would stand the same test.

MR. HANSON: To answer your earlier question, it is not contemplated.

SENATOR DiFRANCESCO: Thank you.

SENATOR LIPMAN: Senator Codey?

SENATOR CODEY: Mr. Mulcahy and Mr. Hanson, correct me if I am wrong, but I still have not heard how we are going to finance either a stadium or a major league franchise, both of which I think you would agree are basically losing-money propositions. It would seem to me that any businessman, before he goes into a venture, sets up a chart which says this will cost "x, y, or z," and revenues will offset this "here, there, or wherever." It seems to me you are just saying, "a blank check and no questions."

MR. HANSON: Senator, to the contrary. We are not talking about dollars because we do not have a specific proposal before us. We are asking for the powers to go from step one. Step one is to ask for the power to do this. And, step two would be to examine the

possibilities, and, in conjunction with step two, to determine feasibility.

So, I do not think you are bestowing upon us any greater financial powers than we presently have. I would like to say again, we do not anticipate speculating on building a facility; we just want to be able to be in the arena to explore the possibilities.

SENATOR CODEY: But, you still haven't told the people in the State of New Jersey how you are going to finance it. You want to be able to do it, but you don't want to explain how you are going to do it economically. That is a point that doesn't seem to get across.

MR. MULCAHY: The original bill didn't have that in it either. How can I tell you? There are a variety of techniques out there. You read about one this morning in the New York paper. I mean, I can't tell you. We don't have a deal. How can I tell you that we know how we are going to finance it?

MR. HANSON: Candidly, I think you probably would first have to have a team and have their concept.

SENATOR CODEY: When you say have a team, do you mean we would own it?

MR. HANSON: No, not necessarily. A franchise would come forward and it would depend upon what circumstances would cause them to be willing to come to New Jersey and occupy a facility.

When I do a feasibility study for one of my projects, the thing I must determine in my own private business is, what kind of revenue can I generate from this particular tenant?

SENATOR CODEY: That's what I am asking you, sir.

MR. HANSON: Okay. My answer is, in order to do that in a specific area, I have to have a tenant. I have to have a possibility. We don't have one here to talk about today. But, the first thing one has to do is to look at what revenue can be generated. One cannot back into it and say, "I need 'x' amount of dollars to build this. Will the tenant pay sufficient income in order to support the debt service?" When you get finished, maybe that is what you want to look at; but, first, you have to see if it is possible for a potential tenant -- a potential baseball team franchise -- to come to New Jersey and whether it would be feasible for them as well as for us.

SENATOR CODEY: Pardon the pun, but you have no ball park figures?

MR. HANSON: Are you talking about the cost of a facility?

SENATOR CODEY: For both.

MR. HANSON: The cost of a facility depends upon the size you would build. I think it would probably cost -- from numbers we have seen -- \$75 million to \$100 million for one type of facility, and I have seen others, mentioned in other states, that cost as much as \$350 million. I don't think you will ever read that this Authority is contemplating spending \$350 million in the immediate future.

You would have to explore, at the time, exactly what you were going to build and whether it would make economic sense. If it didn't make economic sense, I don't believe the Authority would go forward with it. It would just not do it. We would probably have to come back to the Legislature and say, "Now you may have to make a decision. This doesn't make economic sense to us, would you like to underwrite it?"

SENATOR CODEY: You see, I would prefer it if you say that now: "Listen, we may have to come back to the Legislature and say the stadium is going to lose \$5 million or \$10 million a year, do you want to fund it? Is it in our best interest?" and I would tell you, "Yes," and I would support that.

MR. HANSON: Well, I hope we never have to do that; however, I don't preclude the fact that it could happen. But, again, we have to start with, one, the Authority moving forward; and, two, a probable intended-user of a new facility.

ASSEMBLYMAN FORTUNATO: Are the Senators finished?

SENATOR LIPMAN: Yes.

ASSEMBLYMAN FORTUNATO: Speaker Karcher?

ASSEMBLYMAN KARCHER: I don't want to get into a long discussion, but I want to follow up on Senator Codey's line of questioning.

Without getting into a long and detailed discussion about the present Federal revenue code -- and I emphasize "present" -- there is nothing in this Act that would preclude you from exploring, with private investors, partnership arrangements for the financing of the facility, is there?

MR. MULCAHY: Not as long as we maintain our position, consistent with acting within our Constitutional mandate to have a public purpose -- that being the controlling interest.

ASSEMBLYMAN KARCHER: I understand, but, for instance, the participation in a limited partnership for the tax depreciation--

MR. MULCAHY: (interrupting) As long as the people of New Jersey are paramount, there are a variety of things involved. Part of the language in the bill is to update financing techniques that have come about in the last 10 years.

ASSEMBLYMAN KARCHER: In the last 10 years a number of possible -- and I hesitate to use the word exotic -- novel, imaginative, and creative enterprises have come about, and as long as the revenue code stays the way it is, they are attractive and they are all open to you, is that right?

MR. MULCAHY: As long as we maintain our public purpose.

ASSEMBLYMAN KARCHER: So, the financing is not limited? You are not constrained, or in any way shackled, by one alternative, and one alternative only, am I correct?

MR. MULCAHY: That's correct. Part of the problem is, in answer to your question, until you know what kind of a deal you have, it is difficult to say. But, there are a lot of things that can happen.

ASSEMBLYMAN KARCHER: But, that whole spectrum of opportunity is open to you?

MR. MULCAHY: There are a whole variety of things that could be put together in a package in order to come up with the total dollar.

ASSEMBLYMAN KARCHER: Thank you.

ASSEMBLYMAN FORTUNATO: Assemblyman Schuber.

ASSEMBLYMAN SCHUBER: Thank you, Mr. Chairman. Let me preface my remarks by saying I am going to support this legislation. I think it is a very good package. I happen to agree with the remarks of President Orechio and Speaker Karcher. I think a lot of time and effort went into this before it actually was presented. I think there are a number of reasons why I can support it, and one of the reasons is not that I am a rabid Giant fan -- a long-suffering one -- and that is

one of the teams you are thinking about bring here. But, rather, I think there are some tangibles to the State by way of revenues and jobs, and there are some intangibles — the intangibility of pride that our State constantly seeks and that I think could come about from this.

Accordingly, from what I have heard here today, from what I have read in the past, and from those of you to whom I have spoken about it, I find that this is a very, very important step for the State. I think it is one of those crossroad-type pieces of legislation, and I can support it.

I have two questions I would like to direct to this: One is a practical one, and one is a followup on Senator Codey's question. I think Senator Codey has raised an interesting question, and that is, this Committee is the Independent Authorities and Commissions Committee, and one of the things we have worked on, over the last four years I have been here, is the development of Atlantic City. We have done that from a number of different aspects, the latest being the reinvestment tax.

One of the things that I think has been the goal of all the committees, and I think the Senator would agree with me, is a convention center down in Atlantic City. I am wondering, are we working at cross-purposes here, through a quasi-public body, to establish a convention center up in the north end of the State when we are trying to do the same thing in Atlantic City in order to develop Atlantic City into being more than just a gambling mecca?

MR. MULCAHY: I think you are talking about two different things. One of the things that has been talked about by the Legislature — and I think, in fact, the Current Resolution passed the Assembly — was that there should be the creation of a New Jersey Hall of Fame. One of the ways to deal with these issues would be to deal with them as part of that kind of a package, if we can put it together. I don't think we are talking about it on the same kind of a scale as Atlantic City.

You see, the other problem we have when we talk about the hotel rooms is, everybody gets excited and commends us when we get the Eastern Regional N.C.A.A. playoffs for basketball, which we are getting

next year. They commended us when we got the first and second -- with all deference to Senator Codey -- round.

When we went to bid for the final four to play there, the first question they wanted answered was the number of hotel rooms we had in the immediate district. And, we had to make a package deal with New York City on those hotel rooms. That is how we got the proposal. I just throw that in as an aside. But, I certainly don't envision this convention center as being the kind of thing that will be in competition.

ASSEMBLYMAN SCHUBER: Let me follow that up with a very practical question about something that may possibly be way down the pike if this were to go through intact: The question of the actual management of a franchise by a quasi-public body. Let's say this goes through this way, and correct me if I am wrong. I understand from one provision of this that we would have the opportunity -- or we would, if it became necessary -- to own a portion of, or to own the entire franchise, whether it be the Nets or the Devils, or whatever the case may be at the time.

From a practical point of view, have you given thought to how you manage a particular team, such as that, through a quasi-public body that, whether we like it or not, is in the political stream of things? For instance, there is a the very practical question regarding the negotiation of salaries of the players by a quasi-public body; a public outcry because of a terrible performance by a coach; or candidates running for office on the pledge that they will fire a particular coach of a team. You know, I can see this happening down the pike. It seems far-fetched at the present time but we are entering the stream-- Correct me if I am wrong, but I think this is the first time a quasi-public body has entered into the aspect of the management of a team and all that goes with it. We tend to laugh and joke about the problems that occur with the teams that are owned privately. You go to Yankee Stadium and you go to see the Mets and you say, "Gee, if I owned the team, I would get rid of 'this guy,' or I would get rid of 'that guy.'"

Here, we are putting a quasi-public body in charge of a particular team which is subject to control, or quasi-control, by the Legislature. I am just wondering if that will be a potential problem, or if you have given any thought to it.

MR. HANSON: Assemblyman, I think we are really faced with that today. We are a producer of horse racing. We don't rely on anyone else; we produce it ourselves. I think, as Chairman of the Authority and speaking on behalf of the Authority, we believe we can accomplish this by hiring professional, competent management, and I think we have that today in the gentleman and in the team that run the horse racing facility.

I heard some very glowing remarks about Bob Mulcahy and his abilities to be a CEO in the arena and in the stadium. We have a competent team that runs that, headed by Laurie Smith, and I will say these people are protected by contracts, since they are so sought out by other facilities and teams from other areas.

So, I think the answer to your question is, competent management, number one; and, number two, we are there. I think you could have a reaction from one of your constituents who did not win a particular race, and one beauty of the Sports Authority is we try to keep it out of politics, and keep it bipartisan, because to my way of thinking should be a nonpartisan issue.

ASSEMBLYMAN SCHUBER: Well, I think -- and I take no exception to this fact -- that the Sports Authority is one of the great success stories of our State, and that has been because it is a bipartisan effort on the part of both Parties, Governors of both Parties, legislators on all sides, businessmen, and executives on all sides who have gotten together for a common goal. I think it has been a tremendous success story around the country. That is why I can support this legislation, because I know that it has come about as a result of a lot of effort on behalf of you people, for whom I have a lot of respect.

I can support it. I am willing to go along with it. I just recognize that there may be some problems down the pike that we ought to give some thought to -- some real practical problems. I recognize

that this comes out of -- again, no pun intended -- left field, but I think these are potential problems that we are going to have to look at.

But, otherwise, as I said before, I intend to support the legislation.

MR. MULCAHY: Assemblyman, we have also thought about this. There was one time, during the hockey negotiations, when it almost became necessary for us to become the vehicle, to pick the team up for a short, interim process, and then sell it to someone else in order to get it done. Fortunately, that didn't happen.

But, I think the other issue was given some thought by us also. One of the things you see in the bill is the ability to create a subsidiary corporation, which is really the vehicle through which you would have to accomplish this if you were going to run a team. If you look at the situation in Green Bay, which is theoretically owned by the people, they have created a Board of Directors which is responsible for the team. When there was enough outcry about Bart Star, he went, just like any other place. But, Green Bay has certainly been able to exist in a public area, with the Lombardi era and with everything else.

So, I think the answer is, yes, we thought about it, and certainly before we go down that path we would be very careful about it. Our lawyers force us to be very careful before we go down that type of path.

ASSEMBLYMAN FORTUNATO: Before I ask Mr. Hollenbeck if he has any questions, let me indicate that as soon as this period of questioning is finished, there will be a brief recess. I understand there are a few other people who did not indicate, prior to the beginning of this hearing, that they would like to make comment. I would like to take this time to find out who our additional witnesses are.

Assemblyman Hollenbeck?

ASSEMBLYMAN HOLLENBECK: Thank you, Mr. Chairman and Senator. I said I had a lot of technical questions, and that we discussed a great deal of them yesterday. You were gracious to give me time to meet with you, and we had some very good discussions. Among

those, of course -- as you stated -- was that we did agree on one area on page 10: That if I offered an amendment to change the language, you were proposing on the funding of the HMDC you would agree with that.

MR. MULCAHY: Yes.

ASSEMBLYMAN HOLLENBECK: We also had a very strong discussion when dealing with the language on page two, regarding the words "credit agreement." We had quite a discussion on the meaning of the words "credit agreement," and the definition, as proposed.

MR. MULCAHY: Yes.

ASSEMBLYMAN HOLLENBECK: The question dealing with the credit agreement, as written here, was: "What other agency of the State has the authority for a credit agreement? Does the State Constitution allow State Government to issue letters of credit?"

MR. MULCAHY: We have Mike DeAngelis, from Mudge Rose, with us. He is the Bond Counsel for the Authority since its inception, and he has very carefully looked at these issues. Mike?

MICHAEL DeANGELIS: The reason "credit agreement" was put in the legislation is, in 1971 the use of letters of credit and lines of credit for public bodies was not a common method of financing. Now, letters of credit, lines of credit, and municipal bond insurance are oftentimes used very commonly. It helps the Authority obtain a better rate of interest and a better credit rating.

When we are dealing with banks, which oftentimes extend credit in the millions of dollars, they are comforted by the expressed statutory authorization to enter into these credit agreements, or letters of credit. That is the reason why it was thought advisable to recommend that this be included in the legislation.

ASSEMBLYMAN HOLLENBECK: Does the State have the authority in our Constitution to issue a letter of credit?

MR. DeANGELIS: No, The State would not be issuing the letter of credit. This allows--

ASSEMBLYMAN HOLLENBECK: Does the Port Authority of New York have the authority from the two states to issue a credit agreement -- letters of credit?

MR. DeANGELIS: They are not issuing them. What this allows them to do is to go to a bank and receive a letter of credit from the bank.

ASSEMBLYMAN HOLLENBECK: Do they have that authority right now -- the Port Authority? Under the joint state's authorization, are they allowed to issue one, or receive one?

MR. DeANGELIS: No, I don't think it is a question of issuing one. It is not the Authority that issues the letter of credit.

ASSEMBLYMAN HOLLENBECK: Are they allowed to enter into a reimbursement agreement?

MR. DeANGELIS: This would be to enter into an agreement with the bank, by which the bank would issue a letter of credit that would back the loans of the Authority.

ASSEMBLYMAN HOLLENBECK: Let me put it this way: In order to reach agreement, it is unique. Is it unique for a public authority to be granted the authorization to do this?

MR. DeANGELIS: No, it is not unique; it is a common method of finance.

ASSEMBLYMAN HOLLENBECK: What other authority has that authorization right now? Name some. Does the Passaic Valley Sewerage Authority have the authority to do that?

MR. DeANGELIS: Well, most authorities and municipalities are doing it through general language, and the only reason this was suggested was because banks that are spending millions of dollars oftentimes would like to see the expressed language; therefore, it was recommended that it be put in, so there would be expressed authority to do it. It is a common method of financing used by municipalities and authorities, and they do it through general organization in order to enter into contracts.

ASSEMBLYMAN HOLLENBECK: Is it in the language of the Passaic Valley Sewerage Authority? Is it in the language of the New Jersey State Water Authority? Is it in the language of the New York Port Authority? Is it in the language of the Delaware Basin Authority?

MR. DeANGELIS: I am not familiar with that language of those.

ASSEMBLYMAN HOLLENBECK: No, because I don't think you will find that language in the empowering legislation of every one of those authorities.

MR. DeANGELIS: There would be no reason why it could not be in the language, and it probably should be.

ASSEMBLYMAN HOLLENBECK: All right, so we will say it is unique. That's all I asked. It is unique language. As we discussed last night, what are the terminologies and the definitions of this? Now you are saying a credit agreement means purchase or sale of agreements. A credit agreement means an insurance contract.

I think we discussed last night whether "the means" is the is the wrong wording and should be "include."

MR. MULCAHY: We don't have a problem with that.

ASSEMBLYMAN HOLLENBECK: Then we should change that word in that definition to "include."

MR. MULCAHY: Right.

ASSEMBLYMAN HOLLENBECK: So then we are not dealing with a definition. I thought we had agreed upon that last night.

MR. MULCAHY: Yes.

ASSEMBLYMAN HOLLENBECK: Apparently there was an oversight. We spoke about 40 minutes, I guess, with reference to that particular question.

MR. MULCAHY: I think the way we can say it is, credit agreement is used here and includes--

ASSEMBLYMAN HOLLENBECK: Right. Those are all terms that I think we said are used in private industry, in private businesses, and in financing, and you are going into a very unique system now where these might come in handy for the negotiation portion of it.

MR. MULCAHY: Right. If you want to offer that amendment, I think we better have it in writing. Did we get the language?

ASSEMBLYMAN HOLLENBECK: Bob, you cited, in the previous act -- in the existing act -- the authority to build hotels. Would you cite the area again, please?

MR. MULCAHY: The language, I believe, reads, in section 6(a) 1, right near the last part of the section: "Any part of the project

site not occupied or to be occupied by facilities of the project may be leased by the Authority for purposes determined by the Authority to be consistent with or related to the purpose of the project, including but not limited to hotels and other accommodations for transients and other facilities related or incidental to the project."

ASSEMBLYMAN HOLLENBECK: Where is the word convention in there?

MR. MULCAHY: The word convention is not in there.

ASSEMBLYMAN HOLLENBECK: So, we do not have, in the previous legislation, the authority to put in a hotel/convention center? That is something new.

MR. MULCAHY: Well, when you talk in relationship to transients, it is an expressed definition of what is there; it is not in the bill.

ASSEMBLYMAN HOLLENBECK: Are transients also the people you built dormitories for? Was that for transients? You know, you can question that also. Were they the transients you put in the lodgings for?

MR. MULCAHY: We use the arena now as a convention center. I mean, we use it for—

ASSEMBLYMAN HOLLENBECK: You do not have specific authorization by the statutes for conventions.

MR. MULCAHY: Well, for expositions -- if you want to use the word exposition, exposition could be interpreted as a convention. But, we just tried to be precise, that's all.

ASSEMBLYMAN HOLLENBECK: Now there is a question which deals with -- and you know I have great problems dealing with that center -- the transportation issue. What are you now proposing -- because of adding another facility on the existing site, or adjacent to it -- regarding the transportation issue? What are you doing now, or what are you proposing in order to improve that particular problem? Are we talking about the Route 17 South extension, down the East Ridge to Route 280, which would alleviate a great deal of the problems that exist?

MR. MULCAHY: Well, within the confines of the jurisdiction we have, I think we have contributed some \$300 thousand in the last year toward transportation studies that are being taken of the area. As for Route 3, as you know and as I know, the bridges that are there constrict the project and are more of a problem than whether or not there will be a few hundred more people coming onto the site.

I think we have publicly endorsed the extension of Route 17, but it is not within our jurisdiction to go any further than to just endorse the concept.

ASSEMBLYMAN HOLLENBECK: Have there ever been any reports which deal with how to construct that particular--

MR. MULCAHY: (interrupting) I think that is all part of the study we contributed \$300 thousand to.

ASSEMBLYMAN HOLLENBECK: Has a copy of that study been forwarded to the Legislature?

MR. MULCAHY: I don't think that has been done yet. I don't think it has been completed. We just put up the money this year. It is a combination of effort between DOT, the Port Authority, the Sports Authority, and the Turnpike Authority, because they have all looked at the traffic there. The traffic is not just generated by us, but it is generated by others as well.

ASSEMBLYMAN HOLLENBECK: When you talk about building a convention center and a hotel, are you talking about joint ownership of that particular facility?

MR. MULCAHY: Probably not. To whatever degree the Constitution permits us to do it, the test is that it has to perform a public purpose, and as long as we can meet the constitutional test, then I think we can undertake the project. The likelihood is that we would probably lease the project, or structure it in some other manner so that somebody else would run it.

ASSEMBLYMAN HOLLENBECK: All right. If you lease the project, what do you do regarding property taxation on the facility?

MR. MULCAHY: That is an issue you deal with when you make the deal.

ASSEMBLYMAN HOLLENBECK: That is a consideration, I think, for anyone in dealing with the other facilities also. If you developed a baseball stadium and you leased it out to another corporation -- it could be one of your own, which you are forming here--

MR. MULCAHY: (interrupting) But, the hotel is already in the Act, Assemblyman.

ASSEMBLYMAN HOLLENBECK: But, the convention center isn't.

MR. MULCAHY: Excuse me, Assemblyman. I want to make sure I give you the right technical answer. Under Section 18 of the Act, if we were to lease it to a non-public entity, it would be covered in there, and they would pay a tax. That is my understanding.

ASSEMBLYMAN HOLLENBECK: They would pay property taxes?

MR. MULCAHY: Yes.

ASSEMBLYMAN HOLLENBECK: In answer to the Senator's question earlier with reference to your in-lieu payment that you make to the Borough of East Rutherford, does that count as property tax, or is it revenue from other sources?

MR. MULCAHY: Do you mean in the Borough of East Rutherford?

ASSEMBLYMAN HOLLENBECK: Yes, in the Borough of East Rutherford.

MR. MULCAHY: I can't answer that.

ASSEMBLYMAN HOLLENBECK: Well, does it count as a ratable in the Borough?

MR. MULCAHY: I don't know how they have it.

ASSEMBLYMAN HOLLENBECK: No, it doesn't count. So, that means that the other people in the county get no tax benefit through county taxation on that particular facility, even though they are impacted. Is that correct?

MR. HANSON: We don't have the answer to that question, but we know we paid \$880,000 to East Rutherford.

ASSEMBLYMAN HOLLENBECK: Does the \$880,000 in-lieu payment to East Rutherford go into the inter-municipal tax-sharing pool of the HMDC?

MR. HANSON: I'm sorry, I can't answer your question.

ASSEMBLYMAN HOLLENBECK: I mean, based upon a ratable that deals with the spreading of the money.

MR. MULCAHY: I can't answer that, Assemblyman, because I don't know what they do with the money.

ASSEMBLYMAN HOLLENBECK: Well, these are very important questions because they deal with the Hackensack/Meadowlands development.

MR. MULCAHY: No, I think--

ASSEMBLYMAN HOLLENBECK: (interrupting) Does the in-lieu payment you make to the Borough of East Rutherford go into East Rutherford -- counting on ratables per student -- according to the school funding laws?

MR. MULCAHY: Assemblyman, I can't answer that because I am not in the Borough of East Rutherford. What I can say to you is--

ASSEMBLYMAN HOLLENBECK: (interrupting) The facility is in East Rutherford.

MR. MULCAHY: Yes, but I do not run East Rutherford.

ASSEMBLYMAN HOLLENBECK: No, but your in-lieu payment is creating every one of these other situations that I am referring to. If you were paying property tax like you are proposing in some other areas, then, of course, they would count on it, and it would have a tremendous impact not only on the county as a huge ratable, but also on the municipality, which would impact on the 14 communities of the Meadowlands. It would have a great impact on Jersey City and other cities; and there would also be a great deal of impact on North Bergen.

MR. MULCAHY: I think part of the response has to be that it is difficult for us to be all things to all people. When we were originally conceived, nobody ever thought we would pay a surplus. Secondly, when they initiated the project, there was an agreement with the Borough of East Rutherford that provided for a lump-sum payment, in addition to annual payments that continue, I think, for another three years. What the Borough of East Rutherford does with that money is not my determination to make. That was figured out when the original agreement was made and signed. When the agreement comes up for renegotiation, I'm sure these will be issues that will be considered, but, Bob, I can't answer those right now.

ASSEMBLYMAN HOLLENBECK: But, those are issues that impact upon everyone else in the community, the county, and the State, because you are making an in-lieu payment rather than paying all the taxes. You can appeal that, but there is a big difference.

MR. MULCAHY: But, there is another difference. There is also the other economic benefits that we have provided to the area, which the Chairman spoke about before. They relate to the 4,500 jobs, the \$50 million in salaries that we pay, and the \$250 million that is spent in the area. These are all benefits that people have to look at too.

That is all I am trying to say to you. I'm not disagreeing; I just want to balance it, but I can't answer as to what East Rutherford does.

ASSEMBLYMAN HOLLENBECK: You cited that there are three places dealing with the purchase of a race track, or the construction of a race track — it actually allows it, but it is not anticipated — a baseball stadium, and an aquarium. Can they be constructed at the East Rutherford complex?

MR. MULCAHY: Well, the judgment was made on the baseball stadium, Assemblyman, that if we were to build a third facility which would operate generally at night, we would be competing with ourselves to such an extent that the management of people would be difficult. The traffic problems in trying to go from one place to another on-site would be difficult. We would turn people off. That was the basic reason why we felt that baseball at night was not a viable conclusion.

If you consider the fact that a race track runs about 290 nights, the arena has about 255 events there — most of them concurrent with the race track — and then add 77 home baseball games, 55 of which would be at night, it would become an impossibility. People would just say, "We'll watch it at home; we won't go." That was the basis for our judgment in looking at our own site. That is why we concluded that if it had to be, it should be off-site. †

ASSEMBLYMAN HOLLENBECK: I completely agree with you, but where in the Act does it say it?

MR. MULCAHY: Say what?

ASSEMBLYMAN HOLLENBECK: That it is not going to be at that site. Where in the Act does it say that you won't construct the baseball stadium, the aquarium, or another race track at the site? Where does it say that? What I am asking is, where do we limit that? Again, I'm only concerned with the transportation problems it would cause. I have no objection to you constructing a baseball stadium, whether it be in Jersey City, in Sayreville, or in Essex County. I'm concerned about the traffic around that immediate area.

MR. MULCAHY: Assemblyman, when you look at the clause that specifically grants power to baseball, it talks about developing, establishing, and so on, either directly or indirectly without limitation, a project at a site within the State of New Jersey, but outside of the Meadowlands complex.

ASSEMBLYMAN HOLLENBECK: Right. Also, the other side of Route 3 is out of the Meadowlands complex. The Meadowlands complex is 750 acres, a very large area. You are also, of course, referring to your hotel convention center being off-site, but located just on the other side of Route 3. All I want are assurances written in here that you are not referring to that area. I would like some kind of limitation so that you are not trying to use the same road network to alleviate the traffic problem.

MR. MULCAHY: Well, if we made the judgment that we didn't want to put it on the complex because of the management of people there, it wouldn't make much sense to put it on the same road that people are using to get there.

ASSEMBLYMAN HOLLENBECK: It apparently doesn't bother you that you are thinking about putting a convention center and a hotel on the same road.

MR. MULCAHY: Yes, but you may be talking about 300 or 600 rooms. There are many nights in the stadium club, in addition to a hockey game and a race going on, that we may have 400 people there, but that is incidental. That is not a big issue in terms of numbers, but fifty thousand at a baseball game is.

ASSEMBLYMAN HOLLENBECK: All I'm asking for is -- and, I'm sure we agree -- an assurance that you are not going to build it within

two miles of the existing complex. That is all I'm asking for. I can't seem to get that assurance, and I think it is important. Tell me it is not going to be built within one mile or a mile and a half of the facility. Give me a figure, and we'll put it in the Act.

MR. MULCAHY: I guess I have a philosophical problem, just as you have philosophical problems with this, Assemblyman. We have looked at this thing. Supposing, for example, that Route 17 was extended, and suddenly this whole issue was changed. Five years from now, maybe there would be a site one mile from here that everyone would endorse, including you. I just don't think it makes sense to hamstring yourself if you are trying to-- That is all.

ASSEMBLYMAN HOLLENBECK: I would gladly sponsor a bill to change the law five years from now. You're telling me that you are assuring me, but let me just put the assurances in the bill for the people in the surrounding areas and say, "No, this is not going to impact on you as far as traffic is concerned." The Authority is concerned about it also.

MR. HANSON: Obviously we are concerned about it. That is why we came forward and asked for legislation. It is because we have determined that today you cannot build a baseball facility on a site of 150 acres. That is why we are here.

ASSEMBLYMAN HOLLENBECK: I'm sure we agree, but all I'm saying is, do you agree with me that we should have language in here saying that it will not be built within "x" number of feet of the existing site?

SENATOR DiFRANCESCO: Bob, may I ask a question?

ASSEMBLYMAN HOLLENBECK: Yes.

SENATOR DiFRANCESCO: Just for clarification, are you asking him why we shouldn't have it specifically in the bill that it is prohibited at the Meadowlands forever?

ASSEMBLYMAN HOLLENBECK: I am asking for it just for that specific site, unless they can do something about improving the transportation problem in that area. They haven't done it. ‡

SENATOR ORECHIO: Mr. Chairman?

ASSEMBLYMAN FORTUNATO: I think we should continue.

SENATOR ORECHIO: May I make just one statement -- an observation? Number one, I think the Sports Authority has a track record, and I think all of us realize that with the three facilities, there have been tremendous efforts made in terms of trying to accommodate all of the users of the complex without causing more traffic problems.

As you pointed out earlier, five years from now, if you want to introduce legislation to accommodate that, then at the same time we could also introduce legislation to prevent them from erecting another facility on the site that is going to cause a tremendous impact on traffic conditions.

I think you are talking about something that really isn't realistic to discuss now. Because we know what their track record and experiences are, I don't see that as a real problem.

ASSEMBLYMAN HOLLENBECK: That is the problem, Senator, their track record. It wasn't these gentlemen; it was their predecessors who were there even before the formation of the Authority. They went around to all the people in the community and to civic groups making promises and telling them anything.

SENATOR ORECHIO: Well, it just doesn't make good--

ASSEMBLYMAN HOLLENBECK: (interrupting) And, it didn't come about.

SENATOR ORECHIO: It just doesn't make good business sense to construct another facility with the same prevailing conditions.

ASSEMBLYMAN HOLLENBECK: I agree with you, so let's make sure those conditions are met. What is so wrong about it?

ASSEMBLYMAN FORTUNATO: Are you finished now, Assemblyman Hollenbeck?

ASSEMBLYMAN HOLLENBECK: No, not by any means. We are dealing with some major liberalization of the laws of the State and powers to be given to a group. Senator Codey mentioned some of the concerns he has in dealing with the conceptual and philosophical problem of it being in competition with private industry. If you build a hotel and a convention center on-site or adjacent to it, would that be in competition with private industry within the immediate area -- within five miles of it?

MR. HANSON: Obviously, there are other hotels in the immediate area, and to the extent that someone would want to stay at our hotel, it would be competition.

ASSEMBLYMAN HOLLENBECK: Have there been any studies done about the impact that would have on other private businesses?

MR. HANSON: That question is the same one that was asked before about a facility. We are not here today saying that we are ready to build a hotel. We are here to ask for the authority basically to build adjacent to where we are presently permitted to build. Like every other facility we develop, we have to make sure it makes economic sense.

All of the facilities at the Sports Authority, as we said before, have been financed in the public sector. In order to obtain this financing, we have to demonstrate that there is a market and that it makes economic sense. Otherwise, we won't get the money.

ASSEMBLYMAN HOLLENBECK: All public financing comes from the public sector, doesn't it? Where is the State when it floats bonds? Who is buying those bonds -- other governments? No, it is the public, so all governmental funding is done by the public, just like you. There is no difference.

All right, instead of fooling around with a lot of questions dealing with the conceptual idea-- Before you purchase another race track because you think it might be a good deal, would you have a study done to determine the viability of it and whether you are actually going to make a profit based upon the cost of purchasing it and the cost of operating it? Would you have a study done before you went into that?

MR. MULCAHY: We always have.

ASSEMBLYMAN HOLLENBECK: Who gets a copy of the study?

MR. MULCAHY: The studies are public documents. When you sell bonds, they are on the market--

ASSEMBLYMAN HOLLENBECK: (interrupting) No, the study. I'm not talking about the bond resolution; I'm talking about the study itself.

MR. MULCAHY: Part of the bond perspective includes a feasibility study.

ASSEMBLYMAN HOLLENBECK: It includes a feasibility study?

MR. MULCAHY: That is correct.

ASSEMBLYMAN HOLLENBECK: If you did that and entered into a lease agreement, does the lease agreement also go under the purview of the Legislature, or is it made public?

MR. MULCAHY: Not necessarily.

ASSEMBLYMAN HOLLENBECK: In other words, the Legislature would have no chance to review, disagree, or have input before this is done?

MR. HANSON: I believe, Assemblyman, that that is why the Authority has been created and the powers given to it by the Legislature. You have designated that there be a separate Authority that would have these powers. Each one of the Commissioners has been nominated by a Governor and each has been approved by the Senate. That is the system of checks and balances we have here.

ASSEMBLYMAN HOLLENBECK: The powers granted to the Authority are very unique, and they are much more unique because of this liberalization of the law which would allow for what you would like to occur. It would seem to me that it should have some type of rein on it. I'm referring to a legislative rein. I don't think we would have any real difficulty in dealing with a legislative oversight over your operations, but I think you would have a problem with that.

MR. HANSON: Again, I go back to the legislation. The legislation does provide for the oversight.

ASSEMBLYMAN HOLLENBECK: How is that?

MR. HANSON: The Governor of the State has veto power over our minutes.

ASSEMBLYMAN HOLLENBECK: Let's talk about the three separate parts of government. How does the Legislature get involved with that oversight?

MR. HANSON: I think I cited it before, but I would be glad to do it again. The Legislature has existing legislation. It has also proposed additional legislation. That is one way. {

When the Governor nominates an individual to serve on the Authority, the Legislature has an opportunity to either approve or reject him.

And again, the Governor has the veto power over our minutes.

ASSEMBLYMAN HOLLENBECK: Then you feel that if the Legislature determines they would like to have copies of reports -- some type of oversight -- and they want to write it into the existing law because they have given additional power to the Sports Authority, that you wouldn't disagree with it?

MR. HANSON: I have no objection to those public documents going to the Legislature. They obviously should. As far as oversight is concerned, I think the Authority is well-constructed the way it is today. I believe there are enough checks and balances in the system.

ASSEMBLYMAN HOLLENBECK: So, you would not disagree if we put in an amendment saying that all reports, copies of leases, etc. be submitted to the Legislature?

MR. HANSON: Oh, no. However, in the competitive world we are in, in negotiating leases, I do not believe we should be in the position of having what we are proposing -- or what we have done in the past with one franchise -- available so that another franchise can examine it. We are in a very competitive business. We negotiate leases or franchise agreements, and I do not think we should expose them in any way that would put us in a less competitive position. This is similar to any other facility that is in the same type of business we are in.

ASSEMBLYMAN HOLLENBECK: But, you do believe we should have some type of oversight, short of your private leases, which you feel might hurt your competitive advantage?

MR. HANSON: I tried to answer your question by saying that I believe you have oversight today.

ASSEMBLYMAN HOLLENBECK: Not the Legislature. The Governor does, but not the Legislature.

MR. HANSON: The Legislature has oversight.

ASSEMBLYMAN HOLLENBECK: How do we specifically have oversight? If we pass this legislation as is, and you decide you want to purchase a race track which we feel -- and, maybe we don't really know -- is not one that is going to make a profit, and it is not a policy we like, how would the Legislature stop that particular act? How would we do that under the oversight you say we have?

MR. MULCAHY: Assemblyman, if that were the case, you could pass a law repealing it.

ASSEMBLYMAN HOLLENBECK: We don't have oversight; we would have to change the law.

MR. MULCAHY: Well, that depends. You are talking about a variety of things here. You asked a specific question: "How could you stop it?" My answer is, pass a bill to stop it.

ASSEMBLYMAN HOLLENBECK: Would you oppose having legislative members sitting as ex officio members on the Authority?

MR. MULCAHY: I don't think that is a question which is appropriate for us. I think those are policy issues for the Legislature in writing this bill.

ASSEMBLYMAN HOLLENBECK: In other words, if the Legislature decides, strictly as a policy issue, that a member of the Senate and a member of the Assembly should sit ex officio on the Authority so they at least could be informed, that would not really impact on you itself, but it would at least keep us informed.

MR. HANSON: I believe the Legislature, when they created the Authority, gave checks and balances to the State when they made it a law that the Attorney General and the Treasurer of the State should sit on the Authority. I think you have acted in a very wise fashion by having these checks.

ASSEMBLYMAN FORTUNATO: Excuse me. Assemblyman, that may be an issue we should take up at another time. Today's hearing, I think, is--

ASSEMBLYMAN HOLLENBECK: (interrupting) As I said, Mr. Chairman, I have a great deal of questions. This was a technical question. I'm looking for areas of agreement from members of the Authority that I think meet the goals and concerns of Senator Codey in dealing with the conceptual problems, with competition, with meeting the concerns of some of the people in my area regarding transportation, and which will still accomplishing something we want. I think that is the common goal. †

I want a baseball stadium, but I want a baseball team here. I think it is good for New Jersey, and I like the idea of doing it.

However, I am just concerned about the impact of transportation in my area. That is all.

We have a conceptual problem in dealing with competition. That is one of the decisions that has to be made, but it also deals with the State granting eminent domain over the specific complex, and granting eminent domain over a lot of other areas. Are we talking taxation, or are we talking in-lieu payments of other areas? Those are important.

These are the reasons why I think we should air the question of whether the Legislature should be more involved, just so we are at least informed of what is going on. That is all. Ultimately, under our service agreement, we might have to use State dollars to accomplish that.

ASSEMBLYMAN FORTUNATO: I agree.

ASSEMBLYMAN HOLLENBECK: If you want to go on to the next speaker, go ahead. I'll wait. They have many reports that I would like to see. I would like to see the questions dealing with the credit agreement. I would like to see reports dealing with the financial condition of the Authority and projections dealing with the revenue loss, or the decreasing revenues based upon flat racing and harness racing. I would like to see the revenue reports of the other race tracks in the State, why they are declining, and what type of base they have. I would like to see charges based upon the cost of construction of a baseball stadium, and based upon, of course, the new changes in the Federal income tax code, and whether you can get tax-exempt bonds in areas over \$100,000.

I think that is the Legislature, and a major question like this shouldn't—

SENATOR DiFRANCESCO: Bob, what you are talking about is oversight. Aren't you really talking about oversight?

ASSEMBLYMAN HOLLENBECK: Well, I'm talking about oversight, but if we can't get oversight, at least let's have the information given to use beforehand. Let's have enough information given to us so we can make an intelligent decision for the best interests of the State, and also for our own philosophy of government and how government

is made -- whether it is run by elected officials or by appointed officials -- and whether we ultimately will have to take the blame for something we didn't do.

SENATOR DiFRANCESCO: The thing with that--

ASSEMBLYMAN HOLLENBECK: (interrupting) Remember, you didn't name Brendon Byrne Arena either.

ASSEMBLYMAN FORTUNATO: Mr. Mulcahy?

MR. MULCAHY: Mr. Chairman, there are a variety of reports, including our annual report, that detail the finances of the complex. In addition, every time we have had public financing -- as recently as a year ago -- there were five-year projections in the feasibility study that were public all over the State of New Jersey. This is not something we have ever-- It may be that nobody ever looked at them, but they were in the marketplace. I have no problem with that. I'll bring you copies.

ASSEMBLYMAN FORTUNATO: Okay, thank you. You will provide the material that Mr. Hollenbeck requested?

MR. MULCAHY: Absolutely.

SENATOR LIPMAN: May I just say that the State Government Committee, which includes the Independent Authorities and the Casino Control Commission-- I just want to say that we get reports from the Casino Control Commission, which is part of the function of our Committee. Perhaps those are not required by the State Government Committee, but since they oversee gaming and horse racing, out of courtesy, they send us copies of their reports. The same thing should occur with Independent Authorities, the Commission, and the Assembly Committee. Couldn't you provide the Committee and Mr. Hollenbeck with the same kind of reports that the Casino Control Commission gives us?

MR. MULCAHY: Since I don't know what the Commission gives you, Senator, I can't answer the question.

SENATOR LIPMAN: Oh, it is just a report once a month.

MR. HANSON: We would be happy to give you whatever reports we prepare and give to the public. I think some people are receiving them, but we'll make sure everyone gets them.

ASSEMBLYMAN FORTUNATO: Mr. Muziani?

ASSEMBLYMAN MUZIANI: Yes, thank you, Mr. Chairman. Gentlemen, I recognize the importance of the bill, and I support the concept and its positive ramifications, but I have two questions.

Concerning transportation, I notice in here on page 9, it reads: "The Authority, pursuant to the provisions of the Act, is authorized to make, as part of any of the projects, capital contributions to others for transportation and other facilities." You mentioned that you are doing a particular study. I'm assuming you are going to evaluate the system itself as far as access to this area is concerned. Once this becomes a reality, and you have race tracks, hotels, stadiums, and aquariums -- possibly all in proximity -- what are you suggesting? Is this being examined in your transportation study as far as people movers are concerned? What you are making reference to in this bill, it would appear to me, is public transportation. Someone mentioned to me that you are thinking about a monorail system, or something like that.

MR. MULCAHY: The language you referred to, Assemblyman, was in our original statute. That is not something which is new. That has been there. There has been some discussion, and a couple of years ago we looked -- maybe three years ago -- at the potential of a people mover on-site, but in order to construct a people mover that would have the capacity to do what we wanted, they were talking about \$35 million. It just didn't make sense, given the way the site existed, to spend that kind of money to do it. That does not mean there may not be a situation in the future where a people mover might not make sense, but at that point, we had looked at it in some detail. In fact, I could show you a whole study that outlined where they would be.

ASSEMBLYMAN MUZIANI: Does your present study include that?

MR. MULCAHY: Our present study is part of an overall study which is being coordinated by the State Department of Transportation for the Route 3 Corridor Program. The problems with Route 3, outside of the time when you might have 25,000 or 28,000 cars exiting from a Giant's game, are really not caused by our events. They are caused by the morning and evening traffic which is constricted by two bridges. At each end of our site, it comes down to three lanes, and that

essentially causes the problem. I was going home on Saturday afternoon, and there was more traffic caused by the shoppers going in and out than there is caused by a game. Whenever you get 25,000 cars, there is no system you can design which for the first 45 minutes or an hour is going to take care of all of them.

Outside of that, I don't think we put any-- We are not the chief contributor to the traffic problem on Route 3. It is much bigger than us, but we are participating in that study, which I believe DOT is the coordinator of. We are looking at that whole area, and that involves Route 17, which the Assemblyman spoke about.

ASSEMBLYMAN MUZIANI: Well, it just seems obvious to me that with all these facilities, you are going to have a lot of cars in the area. A people-mover system might be the answer for the future.

MR. MULCAHY: We have looked at it, and I think it would really depend upon what kind of costs are involved in the system.

ASSEMBLYMAN MUZIANI: Okay. My second question is this, and it deals with your aquarium: That is going to be located outside of the limits. What does "outside of the limits" mean in the State of New Jersey? Does that mean possibly going into areas like South Jersey?

MR. MULCAHY: Well, the issue of the aquarium came up twofold. It was originally one of the stated purposes of the complex when it was opened, but it was never pursued. Secondly, there was some discussion of an aquarium in Liberty State Park, and we were asked if we would manage it, if and when it was constructed. Part of the language was to give us the capacity to manage it, but it has never gone beyond the discussion stage. We put it in here because we were looking five years down the road.

ASSEMBLYMAN MUZIANI: Okay, fine, looking five years down the road. I'm going to make a statement that I know the casino officials will probably not agree with at this time. Certainly I am not a spokesman for the casino officials, but I have a personal feeling, and I have talked to others, that the situation in Atlantic City is going to become a real serious one within five years. People are going to want more than just gambling as an attraction. We, in the resort area in close proximity, are feeling some negative impacts. An aquarium

attraction would be good for the casinos; it would be good for our area. Possibly if one could be located there, it would be very, very helpful in trying to stimulate some activities for us and the casinos during the off season, as well as during the in season, in order to maintain the momentum of success they have been enjoying. I am of the opinion that that is not going to continue unless something is done to create other attractions for that area. Gambling alone is not going to be the answer five years down the road.

MR. MULCAHY: Right, I understand what you are saying.

ASSEMBLYMAN MUZIANI: Would you, in any way, give consideration to maybe a second aquarium -- one up here and another down in the South Jersey area?

MR. HANSON: We certainly would not object to being involved with the development of an aquarium. What we are trying to say is, we believe we have expertise in management at the Sports Authority, and if we can use that expertise in other parts of the State, we would be more than happy to try to do that.

I said this before; I don't think we are looking to be a developer per se. We are responding where there is a particular need. Presently, we have no plans of even developing an aquarium. It really goes back to Bob's point about Liberty State Park. That is really the reason why the statement was put into this legislation.

ASSEMBLYMAN MUZIANI: All right. But, at a future time, will you talk about it, think about it, and consider it?

MR. HANSON: Do you mean if we were invited to come down to South Jersey, would we be interested in doing it?

ASSEMBLYMAN MUZIANI: Yes.

MR. HANSON: The answer is yes. If that issue came before the Authority today and someone said, "Let's go to South Jersey right now and build an aquarium," -- I think I might surprise a lot of the Authority members -- we certainly would look at that.

ASSEMBLYMAN MUZIANI: Does the future look good then for at least discussion of the matter?

MR. MULCAHY: Certainly, if you request it.

ASSEMBLYMAN MUZIANI: Thank you.

ASSEMBLYMAN HOLLENBECK: But, there is no authorization.

ASSEMBLYMAN MUZIANI: Well, I know there is no authorization in this bill for it.

MR. HANSON: Yes, there is. We could have an aquarium off-site.

ASSEMBLYMAN MUZIANI: Well, for one aquarium, but I'm assuming it is going to be up here in North Jersey. I am asking for a second one in South Jersey.

MR. HANSON: Go ahead. (laughter)

SENATOR LIPMAN: Are there any more questions, Assemblyman? (negative response)

Before we have lunch, I would like to introduce the Mayor of Jersey City, who would like to make some brief comments which may be appropriate before lunch. Oh, I'm sorry. Before these gentlemen leave and before Mayor McCann comes up, Senator Codey has another question.

SENATOR CODEY: I have just two questions, gentlemen. Number one, in the bill as you have written it, under "eminent domain," does that allow you to condemn any race track you so desire? Number two, does it allow you to condemn a parcel of land anywhere you want in order to build a stadium?

MR. MULCAHY: The answer is yes. It is an extension of what is in the original Act.

SENATOR CODEY: You are saying that as it stands right now, you can seize any property in the State of New Jersey that you so desire?

MR. MULCAHY: Let me get the "in" lawyer to answer that question.

(Attorney in audience replies, but transcriber unable to hear him.)

MR. MULCAHY: I think the answer is that within the 750 acres we have those powers, but it doesn't seem logical to me — I'll have counsel check it — that we have any powers beyond 750 acres.

SENATOR CODEY: Right, you don't have those powers now, so you are asking for the power--

MR. HANSON: (interrupting) We did have powers within the 750 acres.

SENATOR CODEY: Right. Originally he said you did, but you really don't. Now you want the power to be able to seize a race track or seize a parcel of land to do any project you so desire.

MR. MULCAHY: The answer, because of the statute and the nature of it, is yes.

SENATOR CODEY: Okay, thank you.

SENATOR CARDINALE: Madam Chairman, may I follow up on that question?

SENATOR LIPMAN: Yes. Senator Cardinale?

SENATOR CARDINALE: Could you function in this expanded capacity without having the right of eminent domain with respect to existing specifics?

SENATOR ORECHIO: Madam Chairman?

SENATOR LIPMAN: Senator Orechio?

SENATOR ORECHIO: I just want to allay any fears that Assemblyman Muziani has about the aquarium. If South Jersey is looking for another entity, maybe he would like to have a zoo in South Jersey. (laughter)

ASSEMBLYMAN MUZIANI: We'll take anything. (laughter)

MR. HANSON: Senator, let's go back to your question, if we may. If we had to assemble a site similar in fashion to the present 750 acres — I don't think that would be the case — I definitely believe we would need the powers of eminent domain.

SENATOR CARDINALE: My concern is directed to a more specific thing, which is on a number of people's minds. That is, many people feel that you are about to acquire or would like to acquire Monmouth Race Track. I think some people have a concern that you might wish to do that through an eminent-domain proceeding or the threat of an eminent-domain proceeding. That is why I am asking this question. While many of us support your general goals, I think that to give the Authority the right to go anywhere in the State with eminent-domain authority — except State property, which comes about by the joining of the two elements, the old and the new in this bill — would be an authority that I don't think we really considered until Senator Codey raised it.

MR. HANSON: You are talking specifically about an existing facility more than you are about what I talked about before, which is an assemblage.

SENATOR CARDINALE: Surely, if you have to assemble a number of pieces of vacant land to build a stadium, I think we can all appreciate the need for you to have that authority.

MR. HANSON: Senator, in discussions we have had at the Sports Authority, we have never candidly contemplated eminent domain. I would not be opposed to representing the Commission, if it specifically talked about us not having the power on an existing facility.

SENATOR CARDINALE: Thank you.

SENATOR DiFRANCESCO: Except baseball.

MR. HANSON: No, there is no baseball stadium. What I am saying is, we would like the power of eminent domain to acquire land if we are going to develop a new facility. I think what Senator Cardinale was talking about was where a specific race track was located, did we want an unfair competitive advantage? I mean, that really was what we were going for.

SENATOR CARDINALE: That was my question.

MR. HANSON: Right. I will tell you personally, as well as being Chairman of the Commission, that that is not what we intended. I agree with you.

SENATOR DiFRANCESCO: Well, you don't intend to condemn and build a new race track either, do you?

MR. HANSON: No, but I am saying that the right of eminent domain to assemble a site is one I believe we should have.

SENATOR DiFRANCESCO: But, you need it more specifically for baseball than anything else you could think of today.

MR. HANSON: Yes, I think we would probably need about 100 acres minimum for baseball.

SENATOR LIPMAN: Have we exhausted the questions, Senators and Assemblymen? (affirmative response) If so, I would like to thank Mr. Mulcahy and Mr. Hanson for the testimony they have given us. Thank you for coming, and I am sure if we need you, you'll be there.

MR. HANSON: Thank you.

MR. MULCAHY: Thank you.

SENATOR LIPMAN: Mr. McCann, Mayor of Jersey City?

MAYOR GERALD McCANN: Madam Chairwoman, Assembly Speaker Alan Karcher, Senate President Carmen Orechio, distinguished members of the Legislature, and ladies and gentlemen, I am going to be very brief because I think everyone wants to break for lunch.

An unusual occurrence just happened this morning, and I noted it from my own perspective. From listening to the various legislators, the Democrats sounded more like Republicans, and the Republicans sounded more like Democrats. It seemed as though some people wanted more government; other people wanted less government. In any case, it seemed like a reversal of roles.

First of all, I want to point out that New Jersey has really been the founder of many sports activities. Assembly Speaker Karcher mentioned that he attended Rutgers, and as you know, the very first football game was played between Rutgers and Princeton. We also know that the first organized baseball game was played in New Jersey, so I think sports have always had a home in this State. It is only natural that the Sports Authority would be as successful as it has been.

Another note, Assemblyman Schuber, is that the Giants were owned by a Jersey City resident, Horace Stoneham, who moved the team to San Francisco. If we were to move the Giants back to New Jersey, they would only be back where they belonged. We wouldn't be stealing anything from any other part of the country; we would just be bringing them back where they belong.

I am going to limit my remarks to baseball. I couldn't care less if you became involved in convention centers, hotels, or race tracks. As legislators, if that is what you see in your wisdom, so be it. On the other hand, as far as the aquarium is concerned, there is a proposal at Liberty State Park to build one there. We think it is apropos to the development, especially since 1986 is the 100th anniversary of the Statue of Liberty. I think that moving towards the completion of that park would be in the State's interest.

I also noted in the news earlier today that Donald Trump mentioned a new innovative way of financing baseball. I just want it

on the record that we told his organization that very same thing three weeks ago. Somehow Mr. Trump announced that as his own yesterday, but we, in fact, told the Trump organization that very plan almost three weeks ago. Although Mr. Trump is very successful, I'm not sure that in this particular case, he is totally innovative.

What we have to do is focus on baseball in particular. The reason is because there are many other municipalities throughout the United States that are interested in professional baseball franchises. Many of them are much more advanced than we are in terms of planning. Some of them already have existing facilities; others have the approval to build facilities. I think if we delay -- at least concerning baseball -- we are going to miss out. There is no doubt though that baseball owners would like to come to New Jersey. They see avid sports enthusiasts in our State, and because of that, they see a tremendous potential market for the franchising of baseball here. They also obviously see lucrative television contracts that could help cut the costs of operating a team.

The points about the cost of the stadium and the ways to finance it are obviously important. Once you involve private-sector ownership in the stadium, it limits the ability for funding through tax-exempt financing, at least through the new caps that are now required. If it is 100% owned and operated by the Sports Authority, they would be allowed to finance it through tax-exempt financing under their own powers.

Also, I think the Sports Authority does a good job in managing sports facilities. It is very expensive to build those stadiums. Someone noted the cost of a stadium before. If we go back and recall what Giant Stadium was going to cost, and then what, in fact, it did cost, there is a big difference. I can also recall the rebuilding of Yankee Stadium -- the estimated cost versus the actual cost.

This is something that I think you, as legislators, should be concerned with. That is why the financing of this particular facility has to be innovative. It has to be able to use as many ways of providing equity as possible without necessarily requiring debt. This

is something that eventually can be considered when you, as legislators, will probably be called upon again to look at financing a baseball facility.

I also think it requires a coalition of many of the business and political leaders in the State. I'm not sure it can merely be put in by a few hands; I think it has to be the total business and political community working towards that end. Although I don't concern myself with the other issues, I think we have to move on the issue of baseball, and we have to move very quickly.

Denver, Colorado is well ahead of us. In fact, the Commissioner of Baseball is leaning towards Denver getting a franchise. Washington, DC wants a baseball team, although they have lost two in the past. Many other municipalities, including two in Florida, are looking for baseball immediately. There has been talk about teams that are for sale. In fact, I think some of those teams have been talked about very recently. I'm sure there are restrictions as to whom they can move, so I think we are really limited to a few teams that can actually make a move. If the Sports Authority is given the ability to go forward with this baseball stadium, it will be in New Jersey's interest.

I agree with you, Senator Codey, that it is probably going to be a losing proposition, unless there is some equitable financing — not debt financing. With debt financing, you are going to have a loser, a big loser. It is not going to be a \$3-million or a \$4-million loser; it is going to be a \$20-million loser because there is no way that the State of New Jersey can finance it, considering all the debt, and make it work. The numbers exist. As a C.P.A., it is very easy to work up those numbers, and I think there is going to be a tremendous amount of debt that is going to have to be repaid through the revenues of baseball.

You are going to have to be innovative in order to make this thing happen, but I think it can happen. By far, the Sports Authority has done a great job in attracting professional sports, as well as amateur sports and other entertainment operations in northern New Jersey.

I agree with Assemblyman Muziani from South Jersey that there obviously also has to be some type of sharing. If the Sports Authority planned something in North Jersey, I'm sure they have a clear obligation to consider the southern part of our State.

On behalf of Jersey City, I want you to know that we have a 150- to 200-acre site right on the Hudson River waterfront that can be made available, which will not require any forced relocation of people. I'm sure you do not want to consider relocating people. You have to look at the region as a whole, and then look at where large tracts of land are located which could potentially be developed into a sports facility.

As I noted, the very first baseball game was played in Hudson County; it was Abner Doubleday's game. We feel we have a rich heritage. I would like to point out that Mr. Mulcahy is a former resident of Jersey City, so we are very proud of that. Mr. Hanson's grandfather was born in Hoboken. (laughter)

SENATOR CODEY: Then how did he turn out to be a Republican? (laughter)

MAYOR McCANN: Well, once they get money, they change parties. (laughter)

If we look at the history of our State, again, I point out that we have a rich history in sports. I think the Sports Authority has carried on that tradition well.

On behalf of our citizens, I thank you for the opportunity to speak before your Committee.

ASSEMBLYMAN KARCHER: Thank you very much, Mayor.

We are going to break for lunch. We have a number of other speakers listed, but I understand most of them have prepared statements. If they don't mind being precluded from cross examination, and they would just like to submit their statements, that would be an accommodation to everyone. I would be happy to be here after lunch for those who would like to testify, but for those of you who have statements, if you will bring them forward and let us know if you would like to have a reconvening of this joint Committee after lunch--

First of all, who else is here who would like to testify? (Several people from audience express desire to testify after lunch break.)

Okay, fine. It is ten minutes to one now. We will be back at two o'clock, and I don't imagine we will be here for longer than 45 minutes after lunch.

LUNCH RECESS

AFTER LUNCH:

ASSEMBLYMAN KARCHER: For the record, we have received a letter from Anthony Scardino, Jr., the Executive Director of the Hackensack Meadowlands Development Commission. It reads: "On behalf of the Hackensack Meadowlands Development Commission, I would like to request of the Committees reviewing this matter that the record be kept open for a reasonable period of time, in order that the Commission may submit its formal comments on the issues at hand. The staff has only received copies of the proposed legislation last evening, and our Commissioners have not yet been apprised of the specific proposals. With your permission, therefore, we will be happy to submit our comments in writing within the next day. Your consideration in this regard is greatly appreciated. Sincerely, Anthony Scardino."

I have been advised that their comments will be available this afternoon. A written statement will be filed with the Joint Committee.

ASSEMBLYMAN HOLLENBECK: Our next witness is John Q. Adams, Chairman of the Coordinating Committee of the Food Industry. Mr. Adams, it is a pleasure to have you with us.

JOHN Q. ADAMS: Thank you. I appreciate the opportunity to address the Committee on this matter of the Sports Authority.

I have been identified with the food industry in New Jersey and throughout the country. I will give you a brief bit of background. During World War II, I was the World Food Administrator, appointed by President Roosevelt, to ensure that there was enough

food for the Armed Forces in the United States, Great Britain, France, and Russia. Mayor Fiorello LaGuardia was my counterpart in the public sector; he made sure the food needs of the populace were met. It was quite a task for four years; however, we succeeded quite well, thanks mostly to Mayor LaGuardia.

I told Assemblyman Karcher this morning that I could not think of anyone who reminded me any more of Mayor LaGuardia than he. We worked closely. David Rockefeller and I were the young men in his office. Dave was his Secretary.

It was LaGuardia's idea to build a food market -- a food-distribution terminal, as it were -- in New Jersey. Unfortunately, he did not get along too well with the Hudson County people at that time, and he had to settle for the Hunt's Point Cooperative Market. He was appalled by the terrible distress from which we all suffered at that time. Food was unavailable to the masses of this area, and the demands of the Armed Forces on the food market were tremendous.

He often said, "Adams, if you ever have the chance, I hope you can persuade the powers that be in New Jersey and New York to build a massive food-distribution terminal in this area." He believed New Jersey was the logical place for it.

But that did not happen; after World War II was over, everyone went into other areas. I worked for a long time with Bill Shea on Shea Stadium; I attended all the hearings. I worked on the renovation of Yankee Stadium, an attempt to keep the New York Yankees from moving to New Jersey. I remember those Board of Estimate hearings, and how the comptrollers shuddered that they were going to be in the red for a long time.

Mayors Lindsay, Wagner and Beame constructed two big stadia, as you know. Stadia are wonderful, and I heartily support the enthusiasm of the Sports Authority. I want to caution you, however, of the priorities New Jersey should face. One of these priorities is a food-distribution terminal for the Meadowlands. I hope this Sports Authority program -- splendid in so many ways, with such imaginative glory to it -- will not preclude the greater need for a food-distribution terminal. That is my principle reason for my coming today.

The number of poor and elderly citizens is increasing daily, while the Federal budget is being cut tremendously. There is a great need for reducing the cost of food, and there is a great need for helping the farmers and food producers across the country. For one reason or another, the idea of a food-distribution terminal seems to have been completely unheard of in this country except by two men, Dick Oberheim and Roy Harris. Oberheim, who is with the Department of Agriculture in Washington, D.C., cannot understand why New Jersey and New York, particularly, have been so negligent in trying to provide this. Harris, a New Jersey resident, is President of the International Association of Food Distribution. They do not understand why the Legislature and Governor of New Jersey have not been more enthusiastic about plans for a food-distribution terminal.

I am afraid this great idea of the Sports Authority will preclude the decision for such a food market. I appeal to you not to let that happen. I worked with Mr. Busch on his program in St. Louis some years back and, as I said, I worked with Messrs. Shea and O'Malley, along with others on the Board of Estimate in New York. From my experience, I foresee great problems with these plans of yours.

A food-distribution terminal would greatly reduce the cost of food. I just hope you will not overlook the opportunity to help the poor, the consumers and the taxpayers of New Jersey. The food packers of this country -- and I am acquainted with everyone in the United States in the food industry -- do not understand the lack of excitement of the people of this area over the prospect of a food terminal.

New York missed the boat. They settled for the second-rate Hunts's Point Market. New Jersey is the logical place to have a food-distribution terminal, as LaGuardia wisely said when he asked me to champion its cause. There is no place in New York for this sort of facility. It is just too bad that he and the Hudson County people did not get along. We have tried a couple of times to develop the idea. I only hope this program of yours will not preclude the need for a food-distribution terminal.

I have been working with Vincent Calvarella, the Foods Commission Coordinator for this new project at the Meadowlands. From

what I have heard and from what I have seen in the press, I feel the Legislature has cooled considerably toward this idea. When I made that comment to Governor Kean, two weeks ago at a public meeting in Clifton, he assured me that, although there have been some setbacks, he is very enthusiastic. The press has given the impression to the food industry that this is not going to happen, because there are too many other priorities.

Food is a most important commodity. A food-distribution terminal would, most certainly, reduce the cost of food more than you could ever imagine. And by reducing this cost, we would be helping the senior citizens, the poor, and the public save money — not only in New Jersey, but also throughout New York, New England, and Canada.

I hope your plan for the Sports Authority will not take the space we hoped would be set aside for such a terminal. As I said, there are lots of problems ahead for you on the Sports Authority. I am acquainted with nearly everyone involved in the business of baseball stadia across the country, and I am well aware of the headaches they have had. Of course, I am also aware of the many compensations. I plead with you, however, not to overlook the great need and great opportunity you have to help the citizens of New Jersey, particularly the poor and the elderly, by legislating and financing a food-distribution terminal, even at the expense of the Sports Authority. I am sure you can do both. Thank you very much.

ASSEMBLYMAN KARCHER: Thank you, Mr. Adams. By the way, I was very flattered by your comparison. The next speaker is Dominick Casamassina, the Executive Director of the Hackensack Meadowlands Municipal Committee. Mr. Casamassina:

DOMINICK CASAMASSINA: Thank you. My name is Dominick Casamassina. I am the Executive Director of the Hackensack Meadowlands Municipal Committee. Before serving in that capacity, I was on the governing body for the Borough of Moonachie. I was a Councilman there for 20 years; I also served as Mayor. I am probably the oldest person still involved in Meadowlands affairs, having begun in 1960 when the Hackensack Meadowlands Regional Development Agency was active.

My presence here today is twofold: First, I want to congratulate and applaud the Sports Authority for its work and for creating a sports-oriented climate in New Jersey; second, I want to discuss the \$110-million contribution the State received from the Sports Authority's operating surplus. My appearance here may be unnecessary, but I want to make sure that area is covered.

I am referring to the 40% of surplus funds that was supposed to go to the Meadowlands Commission. Now, the Meadowlands Commission is composed of two bodies: the Hackensack Meadowlands Development Commission and the Hackensack Meadowlands Municipal Committee. There appears to be a problem with that name in this paragraph (perusing hand-out); it refers to an Act passed in 1968, before the Development Commission was even formed. I want you to realize that both bodies comprise the Meadowlands Commission.

I represent the 14 municipalities that comprise the Meadowlands district. That money was spent by the people of this area. Maybe other portions of the State received funds through infusion of the State's funding channels, but the local municipalities suffered. They suffered with regard to transportation. This is not only the fault of the Sports Authority, but is also the fault of construction that is taking place in the Meadowlands. The municipalities have had to improvise makeshift roads and improve their deteriorating infrastructure. And now, the new roads are suffering, and the municipalities must infuse their own funds, in order to improve them.

You must realize that of the 14 municipalities, only a portion of them lie within the Meadowlands; another portion lies outside the district. Therefore, any destruction that takes place in the Meadowlands also affects its fringe areas. The municipalities have to pay for their own sewer facilities. We do not get any money for that.

We have expenses in areas you do not recognize. It was mentioned earlier that an ambulance stays at events that take place at the Meadowlands Sports Complex. An ambulance sent from East Rutherford for this purpose must be replaced by an ambulance from an adjacent

town, such as Rutherford. This piece of equipment must then be replaced by an ambulance from another town, such as Kearny, and so it goes, right down the line. The South Bergen region has a contract for mutual aid.

Ambulance drivers from these towns do not attend the events. Oftentimes, East Rutherford would like to keep its ambulance there; however, for contractual reasons, they cannot. There is also the issue of the manpower associated with the ambulances in each of the towns. It gets to be expensive.

It was said earlier that approximately \$1 billion is directly attributable to the Sports Authority. I seriously challenge that remark. I do not mean any disrespect; however, only a little over \$1 billion has been developed in the Meadowlands since it was created in 1971. Should the Sports Authority take all of the credit? The HMLC takes credit; each of the mayors takes credit. Maybe we should share the credit for the development of the Meadowlands.

I want to impress upon you that the paragraph [in hand-out] which deals with that 40% contribution is totally ineffective. Yes, the Sports Authority gets the money. Yes, they give it to the State. And, yes, the money stays within the State. Let's talk, however, about what happens when we -- the Development Commission and Municipal Committee -- approach them for appropriations. They ask for \$6 million and receive \$2.5 million; we ask for \$150 thousand -- a ridiculous sum -- and we don't get anywhere near that in our appropriation. There was a time when we did not receive an appropriation for eight years. Then, over a period of two years we received \$15 thousand. Recently, we received \$50 thousand. It is a total impossibility to run a State-created Committee on \$50 thousand. Assemblyman Hollenbeck could tell you about the days when I could not write myself a check at the end of the month because we had no money.

By the way, I think this meeting was held on a moment's notice. I understand that before these bills could be approved, there had to be a public hearing. That is like saying, "We have the results of next year's election, but we will hold it anyway." I hate to put a burden on the Sports Authority, but somebody has to pay for something.

I would like for you to consider the addition of a section or clause that would mandate that impact payments be distributed to the municipalities. These payments could go to the Municipal Committee for distribution. We have a bipartisan Committee; I am sure it would be handled properly. I ask that you please consider those impact payments.

We have inter-municipal pact sharing in the Meadowlands, which is a total disaster. A town like Secaucus, with \$1.5 billion in ratables had to increase its taxes by 25% over three years. That is not successful tax-sharing. Another town, with nothing but empty land, picks up \$1.2 million every year for doing nothing; it provides no services. We would like to see these impact payments included in this legislation. If it cannot be done now, we ask that you please remember the Municipal Committee in the future.

Again, I want to express my gratitude for having the Sports Authority as a good neighbor. We had some problems in the beginning, but everyone has problems when something new comes into an area. I wish you all the luck in the world. I hope you get what you want. Thank you.

ASSEMBLYMAN KARCHER: Hold on for just a moment, please.

MR. CASAMASSINA: Certainly.

SENATOR LIPMAN: Mr. Casamassina, are you aware that Mr. Mulcahy and Mr. Hanson proffered amendments which would adjust that 40% contribution?

MR. CASAMASSINA: I became aware of it only after it was discussed by Assemblyman Hollenbeck and Mr. Mulcahy at today's hearing.

SENATOR LIPMAN: All right. Is that satisfactory?

MR. CASAMASSINA: Yes, if it means there will be no change from the prior legislation. We do not want to be worse off than we are now.

SENATOR LIPMAN: You should be better-off.

MR. CASAMASSINA: We know we are badly off.

SENATOR LIPMAN: I understand that. Thank you.

ASSEMBLYMAN HOLLENBECK: Let me make a clarification, please. The Committee's problem deals more with the appropriations

process than where there have been problems within that process. We are trying to protect that group of moneys which allows other moneys to be appropriated. This goes along with what I have said to members of the Committee, in reference to the municipalities. Mr. Casamassina was the Mayor at the time when the municipality, which was deeply impacted, was promised a great deal by the Sports Authority, by then-Chairman Werblin, by Jack Crumpey, and by Governor Cahill. The municipality was promised a great deal, but very little was ever really granted to it. So, yes, there have been some impacts.

In an attempt to alleviate that condition, I had another discussion with the Chairman and the other Commissioners a few weeks ago. The Sports Authority is trying, to the limits of its ability; however, we must realize that it, too, has limitations. With this climate, hopefully, relations will improve.

SENATOR LIPMAN: Are there any questions? (no questions)

ASSEMBLYMAN KARCHER: Since there are no further questions, we thank you.

MR. CASAMASSINA: Thank you.

ASSEMBLYMAN KARCHER: Do we have--

ASSEMBLYMAN HOLLENBECK: (interrupting) A Motion to adjourn?

COMMITTEE MEMBER: Hold on.

ASSEMBLYMAN HOLLENBECK: Oops, sorry.

MICHAEL FAIGEN: I'm sorry. I was just asking for the indulgence of the Chair and the Committee. Mr. Brennan is on his way.

COMMITTEE MEMBER: I can't hear him. (to speaker) Would you please speak up?

MR. FAIGEN: I am sorry. Mr. Brennan is on his way. I was asking for the indulgence of the Chair and the Committee for just a few minutes more. He is in the air, and I am going to try to track him down.

ASSEMBLYMAN KARCHER: (laughing) He is not over Boulder or Grand Cooley Dam, is he?

MR. FAIGEN: No, and he will not ask you to come and row with him -- none of those things. (laughter) If we could have a few more minutes, I will try and ascertain just where he is.

ASSEMBLYMAN HOLLENBECK: Before that request, I made a Motion. I will hold the Motion, of course, even if it is five hours later. The Committee is supposed to hear Mr. Brennan.

SENATOR CARDINALE: It is 12 minutes of 3. Shall we wait until 3 p.m.?

MR. FAIGEN: That is fair enough.

RECESS

AFTER RECESS:

ASSEMBLYMAN KARCHER: We are now ready to resume. Assemblyman Shuber will be with us in a moment. Our next speaker is Robert E. Brennan, who is the Chairman of Garden State Park. Mr. Brennan, please sit down; I am sure you will be more comfortable that way.

ROBERT E. BRENNAN: Thank you. I would like to thank the Committee for allowing me the opportunity to be here, and particularly for its patience in enduring my trip to get here. We flew around for 15 or 20 minutes, trying to find a spot to land.

The issue today, of course, is the proposed Sports Authority bill. I have requested this opportunity to testify before you, because I think the bill, as proposed, raises some grave philosophical issues, as to what the role of government traditionally has been in this and every other State in the Union — in fact, the issue of the role of government, indeed, in a free society.

I am specifically concerned about the contemplative role of government as a participant -- a competitor, if you will -- with private citizens engaging in for-profit business. I understand there have been some adjustments contemplated in the bill as it was proposed when business closed yesterday. Even with those changes, there are a couple of areas that I think, respectfully, should be reviewed and given further consideration, rather than to be subjected to this fast-track, high-speed approach to get the legislation enacted, signed, and on its way. The number one area is the apparent modification that has taken place, as it relates to the authority the Sports Authority wants included in the bill, if and when it should purchase any race track — the authority it would leave vested with the Racing Commission and that of which it wants to divest of the Racing Commission.

SENATOR CODEY: Excuse me, Mr. Brennan. That was addressed earlier; I agreed to amendatory language.

MR. BRENNAN: I understand there have been some adjustments; however, in reviewing the existing language, it only partially addresses that issue. The contemplated language still provides that the Racing Commission must grant a certain number of minimum dates, subject to increasing that number of dates. That is not the way the Racing Commission currently operates under its statutory authority. This can certainly be changed by a modification, or change, in the law; however, that is not being contemplated here today.

The Racing Commission today has the opportunity to review, as it did during the past year, for example, the circumstances that exist at the time it is addressing the granting of racing dates. In addition, it has the opportunity to consider the interests of competing race tracks, industry and the people of the State, and then make judgments, based upon conditions that are constantly dynamic -- in a state of flux, if you will -- and which require modification from year to year.

The passage of this bill would divest, or strip, the Racing Commission of that authority, to the detriment of not only the industry but also the people of this State.

A more fundamental issue is whether or not government -- or an agency or quasi-agency thereof -- should be authorized to compete with its citizens, where there has been no demonstrated need. In the case of this particular bill -- where the Sports Authority seeks authority to negotiate for, purchase, lease or operate other existing race tracks outside of the race track that is currently being operated in the Meadowlands -- the Sports Authority clearly will go into active competition with private enterprise, both in the acquisition and operation of those race tracks. The Sports Authority will be in direct competition with private citizens who have put up their capital, expressed a willingness and demonstrated the ability to do the job, so government does not have to do it.

I do not believe that New Jersey wants to be the pioneer State in the United States of America to lead a cause that discourages

entrepreneurs from engaging in commercial projects, hiring people and doing all the good the free-enterprise system has been known to do. I don't think New Jersey wants to become known as the pioneer that advocates squashing the ingenuity, creativity and risk-taking that occurs in a free-enterprise system, and replacing it with government.

In fact, just the opposite is happening throughout this country. States throughout the Union are trying to solicit -- to import, if you will -- entrepreneurs to come into their states to do the jobs government should not be doing, whether it is to build race tracks, put up factories and warehouses or create commerce in any way, shape or form. The fundamental essence of our system of government is to stay out of the affairs of private enterprise -- to stay out of the affairs of its citizens -- unless there is a demonstrated need for it to step in. That need was, indeed, demonstrated a decade ago when the Sports Authority was created and given the power and authorization to build the Meadowlands Sports Complex. That was a spectacular feat which could have only been accomplished at that time by government. Things have changed now. A few years ago, the Legislature, wisely, I think, created legislation that was designed to seduce -- to attract -- free enterprise and its capital, to build a race track down in South Jersey. That is Garden State Park, a track to which I have been closely related, and have been a force in trying to develop.

We have done exactly what we set out to do. We have invested \$140 million of our capital; we are building a race track that will be set to open on April 1, 1985; we are hiring thousands of people in the process -- and the government has been able to play a passive role in that, as it should, once it created the incentives years ago.

The major existing targeted race track, as I understand it from the Sports Authority, is and has been Monmouth Park. Monmouth Park is an operating race track; it employs hundreds or thousands of people; it is operating profitably; indeed, it has suitors who are interested in purchasing or acquiring it, should the existing owners ever choose to sell.

There is, clearly, no demonstrated need for government to step in; there is no void; there is no hardship to a community; there

is going to be no loss of jobs. In short, there would be no useful purpose served in the public interest for the Sports Authority to reach out from the Meadowlands and engage in that business. That would no more serve a useful purpose than if they decided, "Well, we could make money by being in the Shop-Rite business, so let's open a chain of Shop-Rite stores and compete with its owners." That is a fundamental issue which I respectfully request this Joint Committee to address and implement some modifications, as a result of input which is received here today.

There is no question that the bill, or that aspect of the bill which relates to the baseball stadium, appears to be non-controversial; it appears to be in the public interest from everyone's point of view; it appears to be something that only government can do. That, of course, is an assumption. I assume the Sports Authority has done some research which has determined that only government can develop the resources to build a baseball stadium. The Sports Authority does not have to do any research, however, to determine they are not needed in the purchasing and operating of existing race tracks. For that, we have the facts -- the evidence -- of the last few years available to us, so we can clearly see that the need has not been demonstrated.

I would respectfully suggest one way in which this legislation might be handled that would serve everyone's interest -- the Sports Authority, the people of this State and free-enterprise entrepreneurs all around this land. That would be to take existing legislation and, in effect, split it in two, distinct areas and treat them differently: first, the legislation that relates to the baseball stadium and/or baseball team and, second, all of the other miscellaneous, tag-along legislation which is an unessential part of the baseball stadium legislation. The miscellaneous legislation, which includes building hotels and aquariums, and buying-out race tracks in competition with citizens of this State, should be allowed to receive more sunlight; it should be allowed to receive more input than can possibly be given at a hearing such as today's, which was called less than one week ago. Very few people have a high level of awareness as to what this tag-along legislation really means.

I canvassed a number of people throughout the State yesterday and learned there are very few people who understand that the government has proposed going into competition with its citizens. That is exactly what the tag-along aspect of this baseball legislation would do. We should not make the same mistakes that were made in France, wherein the government began identifying profitable businesses and saying, "Gee, that looks good. Let's go into that business, along with our citizens, and maybe we can lower taxes and do good things." In the process, they destroyed the very businesses they entered. They served no one's interest; instead, they turned a national economy into a state-owned economy.

That may seem like extreme language; however, I am seriously concerned that the fundamental difference in the philosophy of the Sports Authority, as it exists now, and that of the contemplated Sports Authority, under the proposed legislation, could lead to the Sports Authority deciding they will go into the gas station, trucking, or food business -- you name it -- in very much the same way as did the Port Authority, where it just got out of control. The Port Authority sent scores of private entrepreneurs into bankruptcy when they diverted from their original intent, which was to provide access and transportation, and went into real estate and other businesses.

I respectfully request that you consider these two bills, giving the tag-along aspects a little more time, a little more visibility and a little more input from the citizenry of this State. Thank you.

ASSEMBLYMAN KARCHER: Thank you very much, Mr. Brennan.

SENATOR LIPMAN: Are there any questions?

ASSEMBLYMAN KARCHER: Assemblyman Hollenbeck?

ASSEMBLYMAN HOLLENBECK: Mr. Brennan, are you actively seeking to purchase the race track?

MR. BRENNAN: Excuse me?

ASSEMBLYMAN HOLLENBECK: Are you actively seeking to purchase Monmouth Park?

MR. BRENNAN: I have actively expressed an interest in Monmouth Park and other race tracks, both in and out of the State of New Jersey, for over a year. Yes, sir.

ASSEMBLYMAN HOLLENBECK: Are other people actively seeking Monmouth Park Race Track?

MR. BRENNAN: I believe so.

ASSEMBLYMAN HOLLENBECK: So, the Sports Authority is in competition with those people. It seems the only one to whom this is of great advantage would be the present owner of Monmouth Park Race Track, since there are more people seeking it.

MR. BRENNAN: There are more people seeking it, sir. I do not think it is the role of government to compete in business with its citizens. I do not think it is the role of government to artificially inflate the prices of business, when its competition is its own citizenry. That does not make sense to me. Government should only do what it needs to do and nothing more.

ASSEMBLYMAN HOLLENBECK: But what if government is in competition for a purpose? The Sports Authority is saying that those moneys — from the pari-mutuels and the difference of the State's take from the pari-mutuels — would be used for a baseball stadium which, they say, could not support itself. Does not the end justify the means?

MR. BRENNAN: No, sir. If we accept that premise, the Sports Authority could go into the hotel or gas station business. It could go into any kind of business it identifies as a profit center, in order to subsidize some of its other creations. Furthermore, no evidence has been submitted that would indicate the Sports Authority is the only answer to the question of a baseball stadium in this State. It may be, but that has not yet been proven.

ASSEMBLYMAN HOLLENBECK: Would it be all right with you if someone was operating Monmouth Park under the normal State percentages that go along with the pari-mutuel, whereby the percentage, instead of going to the State, is used directly by the Sports Authority? They have private ownership operating that race track, but the extra 8% of the pari-mutuels that we are talking about — which is normally 8.5% — would be going directly to the Sports Authority, even though it was operating privately? Would it make any difference?

MR. BRENNAN: Sir, there were a number of questions there, and I did not understand exactly what you said.

ASSEMBLYMAN HOLLENBECK: If the State tax is 8.5% of the pari-mutuel— What is it now?

COMMITTEE MEMBER: It is .05%.

ASSEMBLYMAN HOLLENBECK: That was done for a purpose. That was done, in the case of Cherry Hill, for the purpose of construction.

MR. BRENNAN: It was done for all the race tracks in the State, sir, to enable them to remain alive and continue to employ people.

ASSEMBLYMAN HOLLENBECK: All right. If we bought the race track from Monmouth Park at the 8.5% figure, and if .05% went to the owners, and the rest came from admittance and so forth, and if the other 8% went to the Sports Authority for payment of the general purpose, would that accomplish the same goals?

MR. BRENNAN: I am sorry. I do not understand your question.

ASSEMBLYMAN HOLLENBECK: I'll try again. I might have confused myself. I am talking about what would happen if we were to revert to where 8.5% of the pari-mutuel went to the State, because we are saying there is no public purpose served if we go with private ownership.

MR. BRENNAN: Well, if you go back to 8.5%, you have just put all the race tracks in the State out of business. If that is public policy, then you go to 8.5%; if it is not, then you don't contemplate going to 8.5%.

ASSEMBLYMAN HOLLENBECK: Then you could only operate at the lower percentage? How come they can operate at a lower percentage and develop a profit, but private enterprise cannot?

MR. BRENNAN: How come who can operate at a lower percentage, sir?

ASSEMBLYMAN HOLLENBECK: The Sports Authority. They think they can operate it at a profit.

MR. BRENNAN: Monmouth Park operates at a profit right now.

ASSEMBLYMAN HOLLENBECK: They believe they could operate at a profit after purchasing it, don't they?

MR. BRENNAN: I, too, believe they could operate at a profit if they purchase it.

ASSEMBLYMAN HOLLENBECK: Could they operate at a profit if they used 8.5%?

MR. BRENNAN: I am suggesting they should not be participating in the process of competing with their citizenry to operate businesses for profit.

ASSEMBLYMAN HOLLENBECK: If we went back to 8.5% of the pari-mutuel -- it went to the State as a tax -- could they operate it then?

MR. BRENNAN: Could the Meadowlands or the Sports Authority--

ASSEMBLYMAN HOLLENBECK: (interrupting) No. Could Monmouth Park operate at a profit if 8.5% of the pari-mutuel went to the State, as it used to?

MR. BRENNAN: I don't believe it could. I don't, however, understand the relevance.

SENATOR CODEY: Excuse me, Assemblyman Hollenbeck. Are you asking if Monmouth Park would be profitable if the tax was 8%? The tax was never 8.5%. It was 8%. If that is your question, the answer would be absolutely not -- neither could the Sports Authority, Garden State, Atlantic City, nor Freehold.

ASSEMBLYMAN HOLLENBECK: The State takes less than that now, but with the Sports Authority as the operator, of course, there would be that difference. They are using it for operating and paying off a stadium, an arena, and everything else. Monmouth Park is not paying that off; they don't have that burden. Why, then, couldn't they operate at 8% or 8.5%?

SENATOR CODEY: They don't have the area of people to draw from; therefore, their profits are not as great as the Meadowlands or other race tracks. They don't have the volume of people coming to their track.

ASSEMBLYMAN HOLLENBECK: The Meadowlands believes it can serve a purpose other than that of individual profit; it believes it can serve a public purpose.

SENATOR CODEY: But it would operate at the same tax structure, whether the Sports Authority or a private investor bought it.

ASSEMBLYMAN HOLLENBECK: It is just like Cherry Hill, where we eliminated the tax. We dropped it to .05%, I believe. For that, a whole new race track was constructed. We also dropped it, if I heard correctly, to .05% for Monmouth Park, where they are not constructing anything. So it would seem that the owners of Monmouth Park received an 8% windfall — and that is really all it was, because they are not constructing anything. We could set the tax back.

SENATOR CODEY: It was not a windfall, Assemblyman. They needed it to survive financially; without it—

ASSEMBLYMAN HOLLENBECK: (interrupting) How come Mr. Brennan can construct an entire track with .05%, and have the debt service on it, yet those who operate a regular track cannot do so at a profit?

SENATOR CODEY: You would have to ask Mr. Brennan.

ASSEMBLYMAN HOLLENBECK: He runs an efficient shop, I'm sure. He has an efficient construction outfit.

MR. BRENNAN: We have not operated our track, yet.

ASSEMBLYMAN HOLLENBECK: Then he might be in trouble.
(laughter)

MR. BRENNAN: We have put \$140 million at-risk; in the process, we hired thousands of people and revitalized the entire South Jersey community. Whether or not we are going to be profitable, we will know in the next year or two.

ASSEMBLYMAN HOLLENBECK: And the Legislature contributed to that very heavily, by changing the law to allow you to do so.

MR. BRENNAN: We believe we are going to be profitable, by the way. We would not have made the investment if we thought otherwise. Our intention of getting into the race-track business was for profit. We would have an interest in Monmouth Park or other race tracks to generate a profit. We have demonstrated an ability to get things done; we have a basis for coming to you and saying that government does not have to do certain things that are contemplated in this bill. There is no need for it. I just do not see how certain aspects of this bill can be treated so casually, when one of the fundamental building blocks of our economy is to encourage entrepreneurs to come into business. Most states, including the State

of New Jersey, advertise for capitalists to come to their states and put up factories, warehouses and so on.

We want to continue to do that, as we did in the State of New Jersey two years ago when my partners and I — my shareholders in ITB — responded to an appeal. Now, the State of New Jersey turns around and says, "Hey, guess what? We are going to expand our business and compete with you in that same area." That is bad. What will the message be when the State of New Jersey advertises to manufacturing or high-tech companies and says, "Come on into the State of New Jersey. We have a good environment for you. We are going to help you get started, create jobs and give you a healthy atmosphere"? What happens two years later if the State does the same thing they are doing now? They are saying, "Okay, pal. Now that you have invested your money, put up all of your bucks and took your risk, we are going into competition with you because we see your business as a profit center. We want to filter off those profits, so we can go into building baseball stadia," or whatever else the State decides it wants to do.

The State should not compete with its citizens. That is wrong, and it has had catastrophic effects every single time it has been tried. Fortunately, it has not been the popular trend in the United States of America. I do not think New Jersey should be the pioneer that brags about how it encourages its agencies to compete with its citizens. That is bad business, bad stuff.

ASSEMBLYMAN KARCHER: Assemblyman Hollenbeck, do you have anything further to say?

ASSEMBLYMAN HOLLENBECK: No, I am afraid we are going backward.

ASSEMBLYMAN KARCHER: Mr. Brennan, this is deja vu back to my days as a college freshmen in political-science class. The debate about the proper role of government and its function has existed since the times of the Medes, Persians, and Egyptians, as to the dichotomy between governmental and proprietary functions. We, in our free-enterprise society, have had various experiences as to where that line should be drawn. It would be easier to participate in a resolution on a philosophical question if the line were somehow clear.

We have had a rather fluid line, however, in America, as to when it is and is not proper for government to take on a proprietary function.

One hundred years ago, it was considered socialistic for government to get into such services as supplying water or building sanitary sewers. Today, they are, obviously, in the mainstream of what we consider a proper governmental function. Likewise, 30 years ago, it would have been considered extremely radical for New Jersey, as a State, to operate the public transportation network; today, it is part of the fabric of our community. Without publicly operated transportation, there would be very little mass transit. I think you would have to agree that is a fluid line, something on which neither you nor I could set a specific standard and say, "This is where the line is drawn."

For instance, our sister state, Pennsylvania, controls the state monopoly on the sale of alcoholic liquor in package containers. We, in New Jersey, allow that to be a free-enterprise function. I would not fault Pennsylvania for their particular procedure, and I hope that you wouldn't either. That is what they think is best.

North Dakota operates a banking system, as hard as that may be to believe. Government, in many instances, has played the role above and beyond that of a catalyst. Even your advertisements indicate that imagination and creativity were responsible for such wonderful public-works projects as the Erie Canal and Grand Cooley Dam. We do not think, however, that private enterprise would bite that bullet today. I do not think anyone would expect that.

For the purpose of our discussion, would it be fair to say the government has a proper role in regulated industry? You would not contend, for example, that New Jersey acted improperly, despite allegations that when we established a lottery we went into competition with private entrepreneurs. (laughter) Isn't that what we did? Now, that is only according to rumor; I don't have firsthand knowledge. They tell me there were a number of people in private enterprise who were already fulfilling that function for the people who like to play the numbers.

MR. BRENNAN: Illegally.

ASSEMBLYMAN KARCHER: Illegally, yes. And there are those, they tell me, who bet on horse racing illegally. There are always those categories. I didn't mean to be facetious; I am just saying there are categories of activities which, clearly, the government has a vested stake in — historically, at least. You and I might disagree whether it has a proper role in the interference in private activities, such as gambling, but it does. Throughout the history of our country, it has had that role. Isn't that correct?

MR. BRENNAN: I agree. I certainly hope, however, that you are not trying to analogize the role of illegal bookmaking and the role of--

ASSEMBLYMAN KARCHER: (interrupting) No, no, no. I am just saying there are categories, such as gambling and games of chance, in which our tradition of government has always had a stake in the regulation or control thereof.

MR. BRENNAN: And where there has been a demonstrated need and the government has made it work, as it relates to some of the other enterprises you have referred to — for instance, public transportation. When I was going to grammar and high school, public transportation was operated as part of the free-enterprise system. Then, all of a sudden, a need was created. The public transportation company said they could no longer operate profitably. A key factor was that there was no one else willing to step in and invest the capital -- to fill the need; to serve the public interest. Government properly filled that need; it stepped in and took over. The same thing happened with the railroads over the last hundred years; it happened with the water companies, et cetera, et cetera. But that is clearly not the case here; in fact, in this case, it is the exact opposite.

ASSEMBLYMAN KARCHER: Correct. I think we are close to agreement on sewer companies, electric companies, and everything else. There is no way, within our space-time continuum, to set down a hard, fast rule that would say, "Forever and ever, this is going to be on the governmental side, and that is going to be on the proprietary side and left to free enterprise." That remains a situation which is subject to certain situations and conditions.

MR. BRENNAN: And to needs.

ASSEMBLYMAN KARCHER: I agree with you. Supply and demand, to a great extent, dominates, and we should allow it, in many respects, to be the dominant force. Supply and demand is always there.

MR. BRENNAN: For example—

ASSEMBLYMAN KARCHER: (interrupting) And it snifts. Isn't there some way for the Legislature to say that, in 1984, we will engrave in stone that these things will, henceforth, be sacrosanct, proprietary operations, left to free enterprise and free enterprise only, and other things will be governmental functions? That line has shifted — existentially, if you will — over the course of the years. Isn't that so?

MR. BRENNAN: Mr. Speaker, I happen to agree with you. I think, perhaps, it is time to consider that there is no need for a Sports Authority; maybe it has outlived its usefulness; maybe free enterprise should take over the operation of the Meadowlands Sports Complex. They could probably do a better job than the bureaucracy that gets created in that kind of a situation. I agree with you; they are fluid, in a state-of-flux, dynamic; however, it goes both ways. Government should not cross the line and participate in business, unless there is a void or need. All of the examples you have given me are areas where government filled a need and served the public interest. I do not believe that is the situation with the proposed legislation.

ASSEMBLYMAN KARCHER: I understand your point, and you are correct. I just wanted to make sure that we were talking about the same thing. It is difficult to establish a firm and fast rule legislatively and statutorily, and etch it in stone.

MR. BRENNAN: I agree. Maybe the State of New Jersey should put the whole Sports Complex up for bid. Maybe it should be sold to a private company that could come in and manage it. Then the State could return that money to its taxpayers and say, "Look, we did good by you." Look, for example, at what the Chrysler Corporation did: it filled the need at the time, but when the need was not there, it extricated itself from the type of relationship that existed with the government.

ASSEMBLYMAN KARCHER: I tend to agree with that. I think the point of this entire discussion, however, is that the Legislature, as the policy-making body, if you will, of the State -- the representative arm of 7.5-million people of the State -- needs to have the flexibility to address the conditions that exist at this time and place, under these economic circumstances, as we see them.

MR. BRENNAN: The Legislature always needs that flexibility.

SENATOR CODEY: Assemblyman Karcher, if I may just jump in for a second. I have seen you change from 1974 to 1984, but I do not think it is ever the role of government to step in when there is no demonstrated public need -- and there is no demonstrated public need for government to build a hotel or acquire a race track. When private industry could not run the buses at a profit, the government stepped in. This should be the rule of the game when there is an overwhelming public need, in every instance down the line. And that includes the inception of the Sports Authority legislation, which was created to fund the stadium using surplus from the race track. I am in complete agreement that private industry could not build a baseball stadium to bring a baseball team to New Jersey. There is an overwhelming public need and public desire to do that, because private industry cannot. The need does not exist for a hotel, nor does it exist for any other race track in the State of New Jersey at this moment.

ASSEMBLYMAN KARCHER: I do not want to disagree with you, Senator; however, I was driving at a point that was brought out by Mr. Brennan. There was a time and place for that to have happened, and those circumstances must be weighed. I take exception to what was said about the Port Authority, although I have never been a fan of theirs. It is demonstrable, however, that while there were a number of private entrepreneurs and real-estate developers in New York City in the 1960s, the creativity and bold imagination of those in the Port Authority who created the World Trade Center served as a catalyst. In retrospect, 15 years later, we can say that it may have driven out certain competition at that time. It may have created a hardship for some private-sector people in 1968 or 1969, when it commenced. If we sweep history for a decade or two, however, we see that the project served as a catalyst,

despite the fact that its developers were in competition with the private sector; it served as a catalyst for what everyone now calls the enormous real-estate boom in Lower Manhattan.

MR. BRENNAN: The creation of the World Trade Center delayed that boom by 15 years; it created chaos for 15 years, until the market could adjust to it; then, the boom took place. Don't give the World Trade Center credit for it. The World Trade Center was not a catalyst in my view. There could be differences of opinion, and I respect that; however, in my opinion, the creation of the World Trade Center only acted as a blocker — it provided interference — for what was going to take place anyway. And what is the Port Authority doing now? They are looking to sell the World Trade Center.

ASSEMBLYMAN KARCHER: Not yet. But as you say, there may be a reassessment — a reanalysis — of where they stand with regard to the World Trade Center. Perhaps, in the future, the Sports Authority will also reassess. If they were to be in the hotel or exposition-center business, they might want to reassess, and that would be valid. They are asking the Legislature for the flexibility to allow them to serve as a catalyst for other economic growth.

MR. BRENNAN: But you cannot have government seducing private citizens — enticing them to invest their money in a business in this State, then after the money is invested, bludgeon them over the head by going into competition with them. Invariably, when government goes into competition with its citizenry, it is unfair competition. You must not do that. It sends a bad message to entrepreneurs who might ever think of coming to this State for any business.

ASSEMBLYMAN KARCHER: But, in this instance, aren't we talking about a very narrow area of the economic spectrum? Aren't we talking about those industries that have been, historically — traditionally — regulated industries: games of chance, entertainment, sports, et cetera?

MR. BRENNAN: I have no problem with the government continuing to regulate the industry; I have a problem when they go into competition with me; I don't have any problem reporting to the Racing Commission, the State Legislature, the Governor and whoever else is

properly authorized to regulate. Just don't put them into competition with me. Don't put the SEC into an office next door to me and tell me they are going to be selling stocks, in addition to regulating me, because they do not belong in that business.

ASSEMBLYMAN KARCHER: I get your point.

SENATOR LIPMAN: Assemblyman, are you finished?

ASSEMBLYMAN KARCHER: I have no other questions.

SENATOR LIPMAN: Since no one else has questions for you, Mr. Brennan, we thank you for your comments. We enjoyed the exchange.

MR. BRENNAN: Thank you for the opportunity to appear here.

SENATOR LIPMAN: The Legislature has two reputations: one of ramming bills through and one of dragging its feet. This legislation is a case of the former; however, I am sure everyone is aware that a bill of this magnitude could not have been enacted in 24 hours. It was under discussion for a long time. Perhaps the pressure of the nearing holidays and vacation of the Legislature brought on this public hearing and meeting of the Senate Committee -- which I hope to convene shortly to discuss this bill -- however, this bill did not come forth overnight. I want everyone to understand that. It is of too great a magnitude to have suddenly appeared out of the blue.

Since there are no further statements, we will now adjourn this public hearing. Anyone who would like to stay and hear us discuss the amendments is cordially invited to attend.

HEARING CONCLUDED



PETER SHAPIRO
COUNTY EXECUTIVE

COUNTY OF ESSEX

HALL OF RECORDS
NEWARK, NEW JERSEY 07102
201-961-8400

TESTIMONY OF ESSEX COUNTY EXECUTIVE PETER SHAPIRO
AT THE JOINT PUBLIC HEARING OF THE
SENATE STATE GOVERNMENT COMMITTEE
AND ASSEMBLY INDEPENDENT AUTHORITIES AND COMMISSIONS COMMITTEE
WEDNESDAY, DECEMBER 12, 1984

Senator Lipman, Assemblyman Fortunato, Good Morning. It is a pleasure to appear before you this morning to applaud the thrust of S-2516 and A-3000, which would authorize the New Jersey Sports and Exposition Authority to move boldly ahead in making New Jersey the sports capital of the nation.

With a roster of three professional football teams, professional hockey, basketball and soccer teams, as well as racing -- there is no question that New Jersey is the hot place in sports. Surely, we are ready to add a major league baseball team to the distinguished list of pros that call New Jersey their home.

Essex County, the Gateway County, the hub of an unparalleled network of highway, rail and air transportation, we think is the best location for a major league baseball stadium in New Jersey.

The first rate transportation system -- Newark International Airport, PATH, Penn Station, the New Jersey Turnpike, the Garden State Parkway, Highways 280, 78, 24, 1 and 9 -- means that Essex is ideally accessible.

Major league baseball would be a tremendous boost to the economy of New Jersey -- a boost that our urban areas in particular need. By directing their efforts toward those areas, the Sports Authority would be guaranteeing the benefits of jobs and an influx of dollars where they would be doing the most good.

The county's interest in professional baseball dates back to 1883 when pro ball was first played in Newark.

Newark made its Eastern League debut in 1884 and then went on to make what the papers called "a runaway race of the pennant in 1885 gaining the monicker of "Little Giants."

Later, Jacob Ruppert, then sole owner of the New York Yankees,

Page

purc

atte

was

nat

glo

and

New

New

bla

bas

rec

to

ins

and

and

adv

wit

Por

to

to

purchased the Newark club for a reported \$360,000 in 1931. Home attendance set all-time records.

Local interest then -- and I can promise it would be now -- was high.

Then came the heyday of the Newark Bears who brought international league championships to Ruppert Stadium on Wilson Avenue.

The Bears are gone and Ruppert Stadium is gone, but the glorious memories live on.

The Newark Eagles of the Negro National League in the mid-1930's and 40's boasted players like Orange's Monte Irvin, who later became a New York Giant star and a member of Baseball's Hall of Fame, and Newarker Ray Dandridge, who was one of the best third basemen in the black leagues.

Essex County is eager to build from its roots as the site of baseball history.

A task force has already been organized bringing together recreation and parks, economic development, traffic and planning experts to study impact of feasible sites. This task force will be expanded to insure municipal input and citizen participation.

We look forward to working with the Legislature and the Sports and Exposition Authority to bring a baseball stadium to New Jersey -- and we will continue to make our pitch that it be located in Essex County.

We'll make the strong argument that Essex County offers great advantages. We have an abundance of restaurants within our borders and within our reaches, restaurants catering to every palate from Sushi to Portuguese, at affordable prices. There is ample hotel space, convenient to our modern efficient roadway system.

Come to Essex -- it's easy to get here and it's a great place to be.

LEGEND

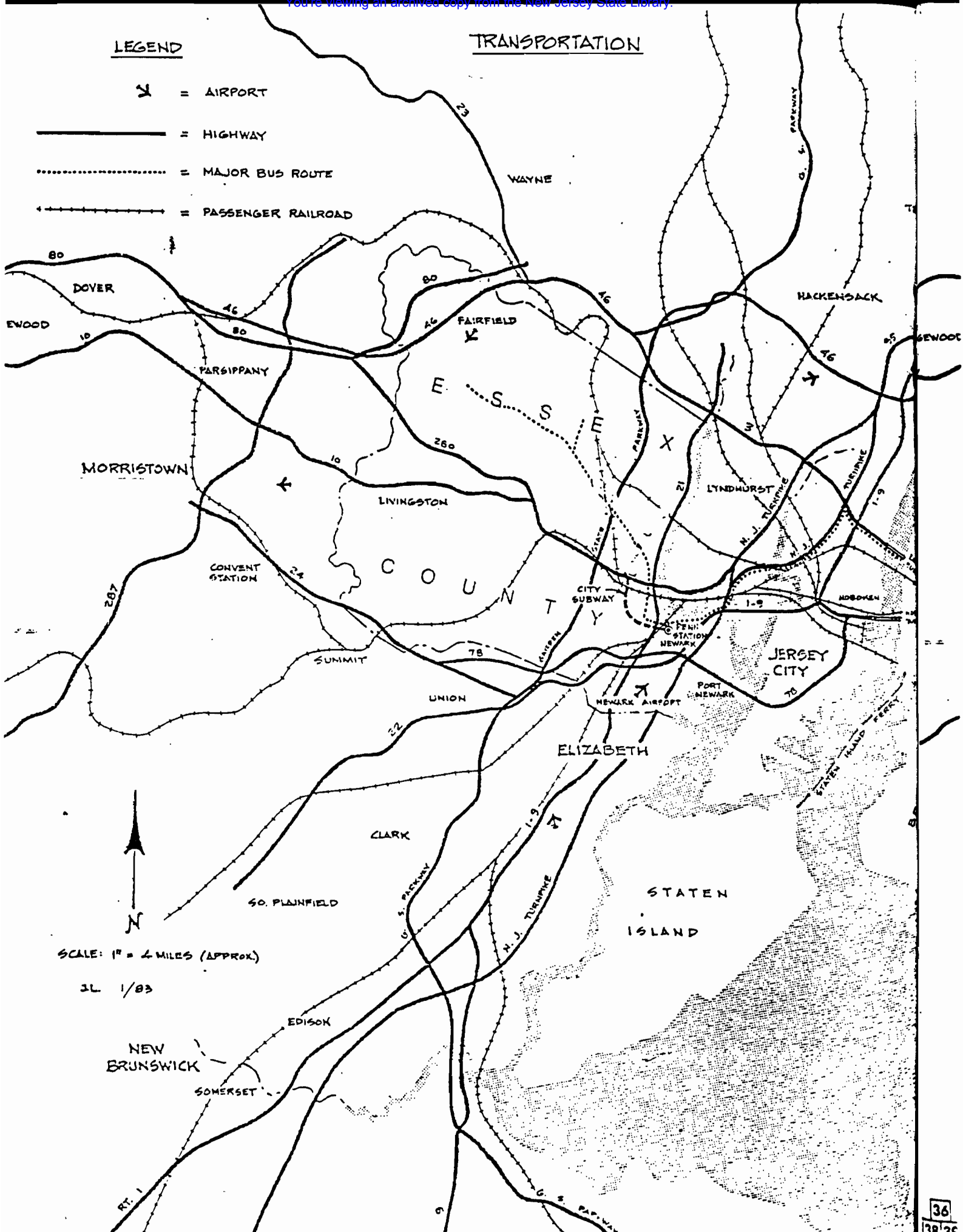
✈ = AIRPORT

— = HIGHWAY

..... = MAJOR BUS ROUTE

+ + + + + = PASSENGER RAILROAD

TRANSPORTATION

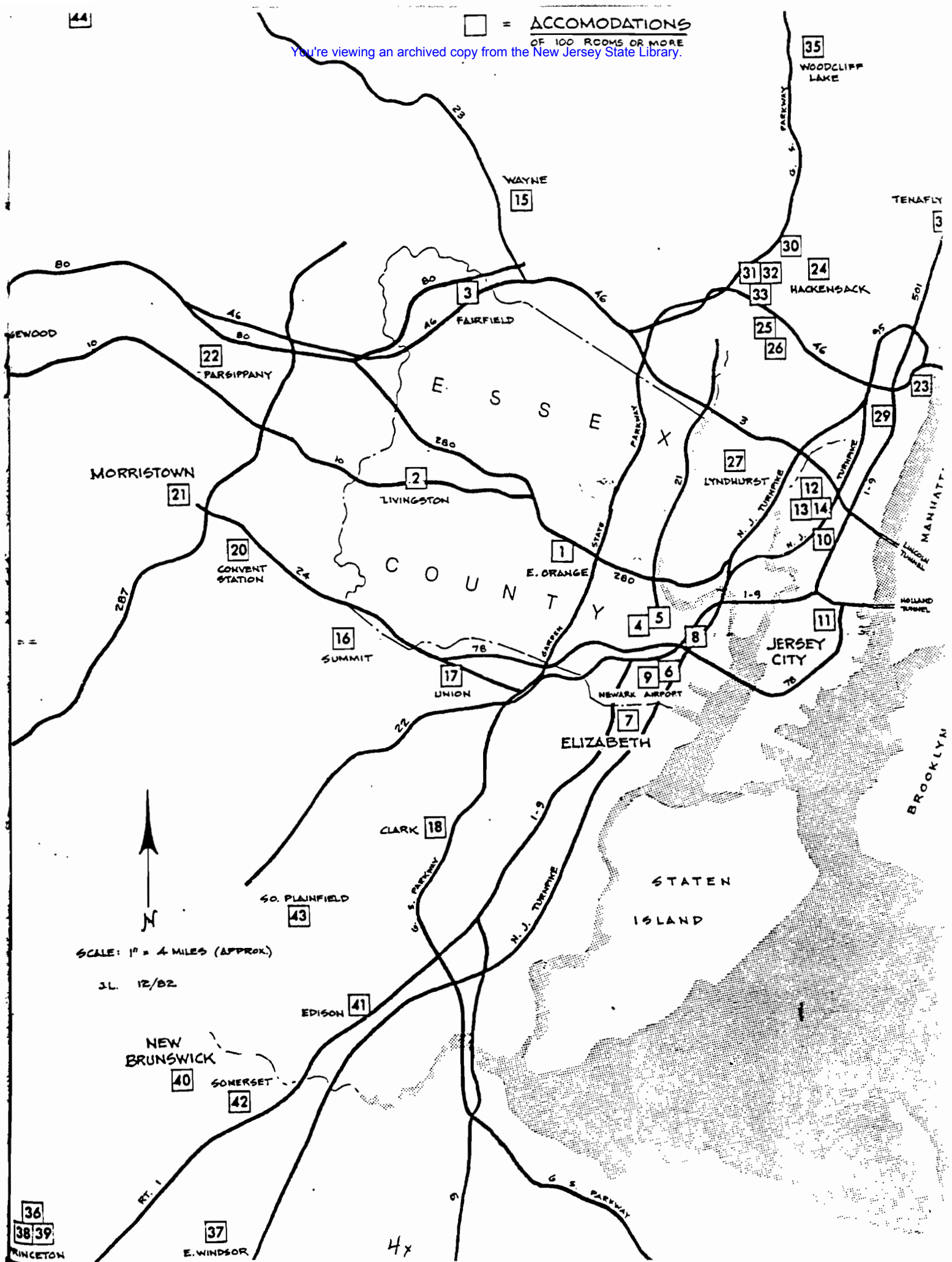




= ACCOMMODATIONS

OF 100 ROOMS OR MORE

You're viewing an archived copy from the New Jersey State Library.



MAJOR RESTAURANTS IN THE ESSEX COUNTY, NJ AREA

SCALE: 1" = 2 MILES (APPROX.)
JUL 1/85

