

PUBLIC HEARING
before
ASSEMBLY INDEPENDENT AUTHORITIES AND COMMISSIONS COMMITTEE
on
BERRY'S CREEK PROJECT

Held:
April 19, 1982
Town Hall
Belleville, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman A. J. Buddy Fortunato (Chairman)
Assemblyman William P. Schuber
Assemblyman S. M. Terry LaCorte

ALSO:

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

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New Jersey State Library

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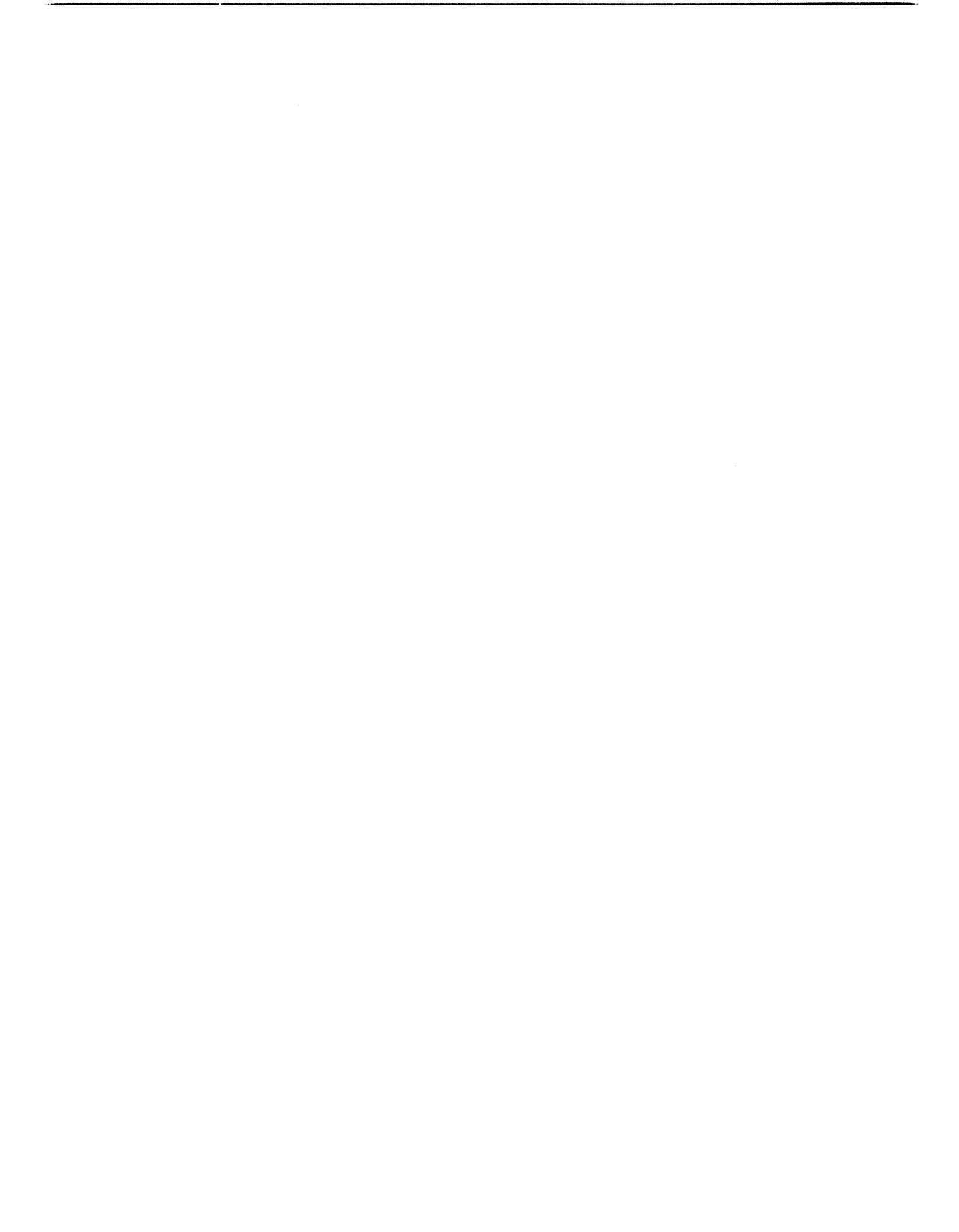
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ASSEMBLYMAN BUDDY FORTUNATO (Chairman): I want to thank all of you for coming here and participating this evening. We will try to be as direct and as pointed as we can.

There are obvious concerns with the Berry's Creek project or we wouldn't be here this evening. As representatives of the Legislature, we appreciate your concerns and have heard from our constituents in Essex County, Bergen County, Hudson County and Passaic County, who have expressed their fears concerning the Berry's Creek project. I think it is obvious that there are some who have indicated that there are positive aspects of the Berry's Creek complex. That is obvious. There are positive aspects. But I think that there has to be a very close oversight of the project to prevent any rampant overdevelopment that could affect the surrounding areas. It has always been the philosophy - my philosophy anyway, and I speak as Chairman of the Committee - that the heart of any town is its business district; and, if that business district begins to deteriorate or experience problems, the over-all town begins to experience problems also.

So, let's get to the testimony this evening. Who do we start off with this evening, Wayne? Is it the people from Crusade?

MR. BOCKELMAN: Charles Irwin.

C H A R L E S I R W I N: Mr. Chairman and members of the Committee: My name is Charles Irwin. I am an attorney for Crusade. Crusade is an organization of businessmen from various communities that surround the Meadowlands, communities such as Belleville, Nutley, Union City, West New York, Jersey City, Weehawken and others. These businessmen - and there are many of them - have banded together to look at the proposed projects in the Meadowlands to see how they will impact on their business districts and their communities. They have come to the conclusion that the kind of super city that is anticipated presently for the Berry's Creek development will impact very badly on them indeed and, therefore, have ~~made~~ a concerted effort to see if they can get the Commission to move in different directions.

They have particularly been very apprehensive about the impact of a 1,300,000 square-foot retail shopping center, placed directly across the road from the Giant Stadium, the Meadowlands Arena, the racetrack, etc.

So they banded together for the purpose of really preventing the devastation of their areas, areas such as this street right out in front of the Town Hall and such as Bergenline Avenue. They really welcome the interest of this Committee because up until now, up until this evening, their only recourse has been to the courts. And that is not always the most satisfactory forum for this kind of a problem. I say that because - and you have more experience than I do with independent commissions - there often is a tendency of independent commissions, I am sure you have noted, to kind of get full of themselves and what their particular mission or direction or vision of their task is. When they do that, they are inclined to lose sight of what is going on around them. I think that has happened in this particular instance.

I was in the Legislature when the Meadowlands Acts were passed and I have some feeling with respect to what the intention of the legislators was then. It was not their intention - it was not anyone's intention - and ought not to be now, to have development of that area act as a destructive lever for all of the areas that surround it. The evidence indicates that that is precisely what will happen if there is a retail shopping center placed there that acts as a magnet for business and brings the business in from other areas.

Now, the Commission has had an opportunity to consider reports with respect to this destructive aspect. They really seem inclined to shunt them aside and ignore

them. At the time of the Hartz Mountain application, a HUD report was introduced indicating that the Bergenline Avenue area and other areas similar to it would lose 10 to 15 percent of their business. Those areas can't afford to lose 10 to 15 percent of their business. What is going to happen is that the stores are going to begin to close. There are some businessmen here from those areas that will really direct your attention specifically to those problems.

I would like to talk about some of the things that have been going on so that the Committee will have an additional flavor of just what I mean when I say that the Meadowlands Development Commission seems to be full of itself and its idea of what ought to be happening out there and is ignoring many other significant facts. For example, at the time that they approved the general development plan for Berry's Creek, there was a requirement in the statute that before there is such approval, such plans for improvements and developments be submitted to the Municipal Committee. Now, one of the things that the Legislature dealt with very carefully at the time that this original legislation was put together was the change from home rule to a governmental agency that was going to control all of this property. One of the compromises that was made in order to be sure that there were some checks and balances was the establishment of the Municipal Committee, consisting of the mayors of the constituent towns who would essentially have veto power with respect to these developments.

Well, what has the Commission done? Dealing with what is probably the most important development that they have considered in the area, they have ignored the Municipal Committee. They have submitted nothing to them. As a result of that, the Municipal Committee through its attorney has now joined in the law suits as amicus curiae for the purpose of saying to the court, "Here is what happened to us. The legislation was supposed to provide for this kind of protection and the Commission is ignoring us." That is exactly what they have done.

In addition to that, it is very clear that the intent was that this not occur. Paul Ylvisaker, who was the Commissioner of Community Affairs back then when the statutes were passed, said the following: "Veto power granted to the Municipal Committee will give local interest a significant voice in everything that happens in the Meadowlands." And because the Commission has taken these powers upon itself, that isn't occurring.

What is happening in the Meadowlands right now is that the Commission, instead of acting objectively in evaluating the proposed project, has become so enamored with its own dreams of a super city in the swamps that it has become a co-developer with the developer. The good of the project - that is the good of what they deem to be the development - has become paramount; and the public good, they don't want to hear about. The Commission no longer evaluates the problems and demands solutions. The Commission ignores them or sweeps them under the rug of official inactions.

Let me not just make these kinds of general statements without giving you, Mr. Chairman and the members of the Committee, some examples of what I am talking about beyond the Municipal Committee.

Transportation and traffic: In July, 1981, the New Jersey Turnpike Authority wrote to the Commission and indicated that what they were doing at Berry's Creek was unacceptable. And I do intend to provide the members of the Committee with a packet of papers which will include these letters and other reports with respect to it. Some of this is a little disjointed, but I will get it together in a second.

What has occurred is that the Turnpike at every stage of the development

has indicated to the Commission that it is not acceptable the way that they have set it up, that the access roads that they provided for are not appropriate and that the cost that they are considering placing upon the public is in excess of a quarter of a million dollars - I think that is very modest indeed, just talking about the access areas - that there would also be a requirement for widening, for adding lanes, etc, and that indeed it is ill-conceived to put a shopping center at this particular location.

I can provide and will provide the Committee with those letters and with their report with respect to it.

In addition, the Regional Plan Associates, which is a non-profit organization that does studies of this kind of operation, not for Crusade or any interested party, but for the general welfare of the public, has indicated that the traffic patterns that will develop as a result of the development of Berry's Creek, etc., are totally unacceptable, that the cost that would be passed onto the public is not appropriate and have, at every stage, indicated that it ought not to be proceeding in this way.

The Commission merely responds to this by saying, "We will work it out. The traffic problems will be solved." That seems to be their answer. They don't look to the developer for solutions, however.

Now, there is also an environmental problem which the Commission really refuses to face. There is a mercury problem in Berry's Creek, which in a DEP preliminary report, which we will also supply the Committee, is characterized as an environmental or ecological time bomb. That is not my language; that is the language of the New Jersey Department of Environmental Protection. They say that Berry's Creek just above the proposed development is an ecological time bomb. It is clear from their report that anything that goes on in that particular area in the waters of Berry's Creek is going to provide a very substantial additional ecological problem. The Commission refuses, or has refused to date, to deal with that problem and merely says, "Well, solutions apparently will come."

In addition, the Commission has at every stage - and we have gone through two stages already: general plan stage and development stage - consistently put off their own requirements for the supplying of information, data and improvements. They have changed their own provisions with respect to parking. The provisions of the regulations call for parking that is peripheral. The developer has moved it essentially to the center of the project. The Commission seems to be prepared to go forward with that, even without a variance or any other formal proceeding.

The regulations of the Commission require that the developing organization own 80 percent of the land in the area that is to be developed, the specially planned area. There is no question that the developer for Berry's Creek does not own 80 percent of the land. Yet the Commission is allowing, contrary to its own regulations, the matter to continue to go forward.

The regulations require that there be provision for cultural activities and cultural facilities for the good of the users and residents of the Meadowlands area. The developer has not provided specific information with respect to any of these areas. And the Commission allows their application to continue to go forward notwithstanding these things.

When we go to the Commission and say, "You ought to be following your own regulations. You ought to be requiring the developer to do all of the things that the regulations and statutes require him to," their response seems to be that they will get to it. But the problem with that is this: We know that there

is going to be, if this project is finished, a very substantial impact on the surrounding communities. From everything that we are able to see, the project isn't going to be finished, notwithstanding all of their protestations to the contrary. They have failed, for example, to deal with the problem of sewage. They talk of it in general terms but, according to the papers that I have seen, no one has made provision with the Sewer Authority to take care of the sewage. It has been suggested that it will go into Berry's Creek. It can't go into Berry's Creek because of the mercury problem that is there already. They are just not dealing with the problems. But the impact on the business is occurring notwithstanding the fact that they may never be able to build it. Every day they continue pumping up this project and suggesting that it is going to occur and allowing it to take another step further down the road toward its completion, the areas of business on Bergenline Avenue, on the avenue in front of this Town Hall, in all of the cities that are surrounding the Meadowlands, are impacted in an adverse way because stores that become available for rent aren't rented. You don't want to take over a store in the event there is going to be a super retail shopping center in the Meadowlands that is going to siphon off a new business. People who would ordinarily be putting improvements in the stores aren't doing it for the same reason.

The answer of the so-called expert on business impacts surrounding the Meadowlands is: Well, that's all right; in the event that these businesses are impacted, they can with very little problem change from retail stores to flea markets. And my closing remark to this Committee is: Is that where we want to go? Do we want a super city in the Meadowlands surrounded by flea markets in the towns that are here now? Thank you.

ASSEMBLYMAN FORTUNATO: Thank you, Mr. Irwin.

Mr. LaCorte, do you have any questions?

ASSEMBLYMAN LA CORTE: No.

ASSEMBLYMAN FORTUNATO: Mr. Schuber?

ASSEMBLYMAN SCHUBER: I have no questions.

ASSEMBLYMAN FORTUNATO: Okay. Thank you.

The next speaker on the agenda is Councilman Carrino from Newark.

A N T H O N Y C A R R I N O: Mr. Chairman and members of the Committee, I would like to thank you for having me here this evening.

As you know through correspondence we have had in the past, a situation such as the one proposed at Berry's Creek - and the gentleman expounded on it very well - not only might have an impact, but will definitely have an adverse impact on cities such as Newark, Belleville, Bloomfield and Nutley. I think we have seen that the advent of shopping malls throughout the area, especially at Willow Brook and other places, has tended to quicken the decline of areas such as Bloomfield Avenue in my city. Washington Avenue is certainly suffering right now because of a shopping mall that has been put on the other side of Washington Avenue.

The advent of casino gambling in Atlantic City, the Meadowlands, itself, with the arena and the stadium, have made an economic transfer of money from areas on the fringe of these places to these areas. The restaurants on Bloomfield Avenue no longer do what they used to do. The taverns no longer do the same business they used to do because people are running down to Atlantic City on Friday and Saturday. People are running to the track every night. People are eating at the track and drinking at the track. I will venture to say that some of the restaurants in the area must be doing pretty well when the track closes.

The fact remains that there is being made an economic transfer away from the urban areas, such as Newark. And I have to consider Belleville, Nutley and Bloomfield urban areas as far as shopping is concerned.

The whole intent of the Meadowlands Commission was that it was a State commission, not an independent commission to worry about what is happening at the Meadowlands, but something that is there for the good of the people of the State of New Jersey.

Now, we have run into the problem in the past in several different instances when there was a track meeting and a soccer game being held at the same time where Route 3 was at a complete standstill for several hours because of the number of people going into the complex. I can just imagine what the 1,300,000 square feet of shopping area is going to do to Route 3 and Route 20. I would have to assume that the State of New Jersey somewhere along the line, if this thing becomes a reality, is going to have to make tremendous improvements on each of those two highways by widening the lanes or improving them to such a point that the taxpayers of the State of New Jersey are going to have to pay for the improvements of those two highways. At the same time, the improvement of those two highways is going to be taking away from the people who are paying the taxes in the areas of Bergen County, Passaic County, Hudson County and Essex County. I think to spend all that money for a brand new area when the infrastructures of shopping areas such as Newark, Paterson, Passaic and Jersey City are already in place - the sewers, the roads and the physical structure of buildings that could have retail sales - does not augment well for the future of the cities surrounding that total complex.

I think if the intent of the whole Meadowlands complex was to provide a recreational area for the people of New Jersey and New York, that concept should be made constant and the other side of Route 3, which is where the Berry's Creek project is proposed, should be planned along the lines of some type of recreation or sports complex, something that would fit in with what is there right now.

We can't even sell houses in Newark now. And I understand there are something like 3,000 or 5,000 units of housing going to go up there. I realize the City of Newark is not the most desirable place in the world to live. But there are feelings among people that some of the smaller towns surrounding Newark are no longer desirable places to live. We have seen what happened at Harman's Cove. I think that was a very successful operation over there. Be that as it may, it formed a brand new community of people with different interests, many from New York and many commuters. I could see the same thing happening there where we keep drawing from the areas we are trying to save in the State of New Jersey, the urban areas. We are actually telling the people that we are going to provide another place for them to shop and another place for them to live because the cities no longer offer the same benefits that they have in the past.

I think that is irresponsible for what they may call an independent commission, but it is certainly the creature of the State, to be able to do things like that, and also for all of us as elected officials to allow things like that to happen. People forget because gasoline is going down right now, but one of the biggest problems that we are facing is the energy problem, not only in New Jersey but all over the country. To put ourselves in a position where we are telling people to go shopping 15 miles away because you have 1,300,000 square feet of shopping space as opposed to jumping on a subway or a bus to go downtown Newark, if you live in Newark or Belleville or Nutley, or wherever, is untenable. We would be encouraging

them to go 10 or 15 or 7 or 3 miles away by car because we now have a brand new super city that you can eat in, that you can shop in, that you can now live in, and do anything you want to in, probably eventually go to a movie or a theater; stay out of your city as long as you can and go back home to sleep if you happen to live in the City of Newark, or Belleville, or Nutley.

I think the basic concept, as the gentleman before me said, is that the Commission wants to have something out there that it can point to with pride. They will have done it from ground zero and it will have come out of the garbage dump, which is what the site presently is. They will have produced a large brand-new city. I think that they are getting carried away with what they would like to do as a Commission as opposed to what they have been created to do; and that is to try to take the whole Meadowlands complex and develop it in a sane manner so it is some kind of income-producing or status-producing thing. But to just make it a substitute for something that is already there --- You know, Mr. Assemblyman, that certainly many of the roads in our area need to be improved. The only way the cities can do that is through federal funds, which are no longer there now, or state funds. When the State has to make massive injections of funds to improve Route 120 and Route 3, I venture to say there are not going to be too many dollars left to do things in the Broad Street area of Newark, Bergenline Avenue, and wherever.

I wish your Committee would give serious thought to what eventually is going to happen there and understand that it is not going to be something that is going to bring in brand new things. All it is going to do is substitute for things that are already there in other areas. It is not going to work out well for any of the four counties surrounding that complex. Thank you very much for having me here.

ASSEMBLYMAN FORTUNATO: Thank you, Councilman.

Mr. La Corte, do you have any comment?

ASSEMBLYMAN LA CORTE: I have just one question. With the improvements that could exist there, what type of ratables would be available to the communities? Don't the towns share right now with the Hackensack Meadowlands Development? Wouldn't there be a great amount of ratables as a result of the improvement of the land?

MR. CARRINO: I would imagine they would. On the other hand, the towns that would not be sharing in those ratables - and I know Belleville, Bloomfield and Newark would not be any of those towns - would be losing the same amount of ratables. We have already lost 10 or 15 percent of our businesses in Newark. I am not talking just about the loss of businesses there; I am talking about what has happened since the Meadowlands has been fully operational and Atlantic City has been fully operational to the restaurants and taverns, etc. Certainly, whatever is gained here is going to be gained at the expense of the ratables from the other surrounding towns. I don't know how they are going to participate in that somewhere along the line either through State aid or whatever because I don't see that happening as a result of the proposal for Berry's Creek as opposed to the amounts of money raised by the stadium and the track that are going into the State treasury. We all share that as it comes around. But I don't see that happening in Berry's Creek, other than the Meadowlands Commission and the towns immediately surrounding it, as far as ---

ASSEMBLYMAN LA CORTE: They participate in those revenues. They will participate on a greater basis.

MR. CARRINO: Yes.

ASSEMBLYMAN LA CORTE: There was one part of your presentation, Councilman,

that concerned me, and that is when you stated that Harman's Cove brought in people from New York City and outsiders. You questioned why we need a new residential area here. Wouldn't that attract the same type of people that were attracted by Harman's Cove? These are people that normally would not even be in the State of New Jersey, or be in the cities we are concerned with, and they would bring in extra dollars to our State.

MR. CARRINO: Well, yes. I question whether they will bring revenue into our State. Most of those people -- and I saw that during the recent election I was involved in last year -- still spend the bulk of their money in New York, except for the immediate amenities that surround Harman's Cove. Certainly, I am the last person in the world who would discourage people from coming to live in the State of New Jersey, especially if brand new housing is developed. But, I think what we should do is to try and encourage people to move back into the cities, and back into the immediate suburbs surrounding the cities, and those people can come from New York, of Massachusetts, or California, or wherever.

One of the reasons why cities can no longer attract outsiders is because they are falling apart. The State doesn't have the money to keep these infrastructures up. The federal government no longer provides the money to us. So, we are living with a situation where the dollars are shrinking. So, to have a brand new housing area on Route 3, with all the amenities of brand new highways, and everything else, as opposed to providing an access road into the cities of Newark, Belleville, or Nutley -- all one has to do is to look at Route 21, which is right below here, to see that it is in complete disarray -- might tend to discourage people from coming in to live in Belleville, Nutley, or Bloomfield. The State would have to build a brand new highway for people that live on Route 3.

However, I certainly want to encourage people who wish to, to come to New Jersey to live.

ASSEMBLYMAN LA CORTE: Thank you.

MR. CARRINO: Thank you.

ASSEMBLYMAN FORTUNATO: Mr. Joseph Ferri.

J O S E P H F E R R I: Mr. Chairman, members of the Committee, I am an administrator of a family business that has been operating for approximately 75 years. It was founded by my great-grandmother, and was passed on to my grandfather, my uncle, and me. The business has grown significantly through the years. I find it ironic that you have chosen Belleville to be the vehicle, or the location, in which to hold such a hearing. Belleville has had its hard times, and just recently the retailers have banded together and made several moves to move Belleville up.

We have seen the development of new buildings on the avenue. That is important to Belleville. My business is located in Nutley, which is next door. I also welcome a type of government that would, to use the word loosely, have a system of checks and balances, where a Committee, such as yours, would oversee development, and see if it is being done properly in our State. Is it being done for the people of New Jersey? That is what we have to concern ourselves with.

The group of people I represent are on the west side of the Hackensack Meadowlands. This includes Clifton, Carney, Lindhurst, Bloomfield, Nutley, Belleville, and so on.

I would definitely support most of the statements given by Councilman Carrino, and especially those given by our attorney, Charles Irwin.

The question of ratables came up, and Assemblyman LaCorte brought up the fact that certainly those communities next to the Meadowlands would benefit

from the ratables that come out of that development. Well, Nutley itself -- the Nutley business community -- pays one-third of the ratables in the town. If there were no business community, what would happen to those ratables? The voters, or the electorate, are very much unaware of what would happen to ratables.

I also bring with me a little private thought -- community involvement plays an important part. Our stores are deeply involved in every element of the community, from rent leveling, to youth organizations, to sports, to senior citizen projects -- everything imaginable. Conglomerates do not get involved in that kind of private sector in communities.

I thank you for your attention.

ASSEMBLYMAN FORTUNATO: Are there any questions? (no questions)

Mr. Ferri, I can assure you there is no irony at all attached to this hearing being held in Belleville.

MR. CARRINO: No, I find that good. That's what I am trying to say.

ASSEMBLYMAN FORTUNATO: Well, there is no irony in it.

MR. CARRINO: I am happy that you chose this location.

ASSEMBLYMAN FORTUNATO: Nathan Shapiro.

N A T H A N S H A P I R O: My name is Nathan Shapiro, and I am President of the West New York Chamber of Commerce, but I also operate a dress shop on Bergenline Avenue. My father started this business in 1910. I hesitate to say I am 72 years old, because I am afraid someone wouldn't say I don't look it. But, in a sense, we have been part of the community, and I must agree with something Joe said. A small store keeper is one that is part of the community, and participates in it. We, in West New York, attract a great number of people from the northern end of Huson County. I also have colleagues here from Central Avenue in Jersey City.

But, when a church in Secaucus or a church in North Bergen, or a Boy Scout group, or a Girl Scout group are in need of help, we are the ones who support them. The big chains do nothing. And, this is what a tremendous shopping center would do.

In your opening statement, Mr. Chairman, you said that the original purpose in developing the Hackensack Meadowlands was to plan it in such a way that it would not harm the surrounding area. Our attorney said this was in the original charter that created the Meadowlands Commission.

Now, this is not to say that we, as good citizens -- we hope -- of the State of New Jersey, don't want to see this development. Even when we opposed some of the things, two years ago, that Harts Mountain presented in its original plan, we agreed that development should take place. Anyone owning property in our society has a right to make a profit on it. But, this should not be done in a way, assisted and sanctioned by the State, that would hurt the surrounding area. And, if we live in a state where this is happening, I am going to cite examples.

You know, one of the men who testified at a previous hearing -- and I am going to repeat it, because you gentlemen were not there -- was asked, "What will happen to Hudson County if they develop this Harts Mountain area, and the Berry's Creek area?" He said, "Oh, nothing. They withstood all the other development." The other developments were in areas like Paramus which is about 15 to 20 miles north, Willowbrook which is 20 miles to the west, and Woodbridge which is 20 miles to the south -- three giant shopping centers.

Let me point out what has happened because of those shopping centers. Within our time we have seen communities like Hackensack, once the hottest retail business section in the State of New Jersey -- you couldn't get a store for any

price; they were rented; there were tremendous retail rentals -- Passaic and Paterson, destroyed by Paramus and Willow Brook.

When was the last time you may have driven through Asbury Park? The stores are boarded up. There are no stores. All the stores are out on Routes 33, 34, 35, and 36, like spokes, into Long Branch and Asbury Park.

New Brunswick is the county seat of Middlesex, and the former Chairman was the former Mayor of New Brunswick, and for a number of years he was the Director of the HMDC. He told me that I was right, that New Brunswick, a beautiful town -- the county seat of Middlesex -- was ruined by East Brunswick, one to two miles away, east on Route 18, where in a two mile stretch every major store in the country has a branch. George Street, Albany Street, and Livingston Avenue are the three main streets in New Brunswick, and they are full of empty stores.

One of you mentioned the fact that when the center of a town goes, it deteriorates. And, this business of saying that there is an alternative, if you don't rent the stores to first-class stores, you will have flea markets -- I don't know if there is anyone in the room who may operate a flea market, but flea markets are not the most attractive way of running a business section.

So, we should learn by previous examples. You know, everyone talks about the great development of Cherry Hill, but no one mentions that Camden was destroyed by that -- absolutely. There are just a few stores left down there -- one or two large stores. You people go to Trenton pretty regularly. Trenton had a magnificent shopping center. Have you walked through Trenton, or do you just get in your cars and come home? -- and I can't say as I blame you. You have heard some of the storekeepers and me. We have been to Trenton for a number of other things, amongst them the ecology hearing by the State Natural Resource Department, where the business about the mercury content, and so forth, came up, and we testified. As retailers, we took a stroll through town, and I want to tell you that Trenton is in sad shape. All the people in Trenton and Mercer County do shopping, but they don't shop in Trenton, because the shops are out on the highways.

Now, whether you take a Hearts Mountain or you take a Berry's Creek, you are talking five to eight minutes in any car, and as sure as I am standing here today, what happened in Hackensack, Passaic, Paterson, New Brunswick, Asbury Park, Camden, and Trenton, will surely happen here -- whether it is on the west side, as exemplified by our friend, Joe Ferri, in Nutley, who has a magnificent store; I don't have as many customers as he does, but he has a great store there -- or by the other merchants, whether in Montclair, Bloomfield, or, as the attorney pointed out, right here in Belleville, it doesn't mean a thing; they hop in the car.

I thought Joe was going to touch on this, about being a citizen of New Jersey. The developers are out of state. It is only the developers who make money on the shopping centers, and a few of the anchor stores -- the big stores. You get a Bamberger's, or a Sears, or something like that, but if you have been to any of the shopping centers, they are in and out of the small stores like a revolving door. They don't do well and they don't pay their expenses. But, even if they are not doing well, they can hurt the local areas, and this is what is going to happen, whether it is Belleville, Nutley, or Montclair on this side, or North Bergen, Union City, West New York, Jersey City, or Bayonne into Hoboken on the other side. We are older established areas. You may create two, three or five hundred jobs, but you will destroy five to ten thousand jobs.

You spoke before of the positive side. Sure, you bring in a few new

jobs, but what is going to happen to the thousands of store keepers -- the mom and pop stores, and the family-owned stores in the area? Again, the chains don't care. The chain of shoe stores or clothing stores has ten, twenty, thirty, or forty stores, and if the area deteriorates, they close them up and the town is left like a shell and there is nothing left for them.

Again, you said there are other things to do. Hearts Mountain dropped its plan to build a mammoth shopping area, and it is now pursuing a more modest plan. They asked us what our opinion was. They are building a motel. They are building movie houses. They are building small service stores to warrant that kind of retailing, whether it is a bakery, or a deli, or a small area.

I am not sure what our real estate friend said before. If you create the houses that the original plan of the HMDC called for, and built forty or fifty thousand homes, which would bring in, maybe, one-half million people, then you have a right to build stores. You are going to have people there. We don't expect everyone to come running up to Bergenline Avenue, or even to Nutley, if they are going to live there. We would like them to. We can understand building stores afterwards. You don't build stores now to drain away the money. There is only so much money in northern New Jersey, and the new ball of wax is going to attract it.

If you are going to go, number one, by the original plan, you are going to build something that will not destroy the surrounding territory. And, number two, there are other things. Why should I have to travel forty miles, down the Garden State, to hear a concert at the Art Center? Why shouldn't I go here, ten or fifteen miles from home, without having to travel an hour or an hour and one-half each way? There is a demand for it. When I go down there, I see everyone from up here. And, the Garden State Art Center is filled to capacity every night that they are open, showing that kind of thing does draw people. It doesn't have to be rock and roll at the Brendan Byrne Arena. There are other kinds of musicals and theatricals that can be put on there.

There is so much that can be done, in addition. But, you know, there is a certain glamour attached to building a shopping center. It is the fastest thing that comes up, but it is also the worst thing one can do. In my opinion, gentlemen -- and I am not presumptuous enough to speak for everyone, but I have been delegated by part of my group from the Hudson County side as well as the Bergen County side to speak -- this is the way we should go. We are really thankful for the fact that we have had the chance to testify before you, because before this we testified before the HMDC, and as Charles Irwin pointed out, we had to go to court because the HMDC didn't see our point of view.

We appeared before the Natural Resource Commission, and we had several committees in Trenton, but no one ever actually sent their people out to us. You people came here to meet us. I want you to know we are very grateful, and we are happy to be able to give you our point of view.

If you have any questions, I will be happy to answer them.

ASSEMBLYMAN FORTUNATO: Assemblyman Schubert.

ASSEMBLYMAN SCHUBER: I was just going to compliment the speaker for his fine view of the state from the different shopping areas. I can well remember Hackensack myself; it is one of my neighboring communities. In years past it was a thriving commercial center, there is no question about it.

By the way, one of the things that is going through my mind now is, with regard to those areas, I think maybe the automobile had a greater impact than anything else on some of those shopping areas, because people were looking for more service,

possibly, or a more centralized service, and they had an automobile that would allow them to go to those particular points. That may have had a greater impact on the area than just setting up the shopping centers themselves.

But, one of the questions going through my mind with regard to Berry's Creek is, in fact, is such a commercial center needed in that area? I am not sure. Maybe it is, and maybe it is not. I think that is one of the things I guess we have to concern ourselves with at these hearings.

I sympathize, obviously, with all of the people who are here. You have had your businesses for many years, and obviously they are not only ones that you have started but your families have started them, and maybe the families before them. But, you have struck a responsive note with Hackensack.

MR. SHAPIRO: Well, I mentioned these different places in the State, and I didn't make anything up; I mentioned places that you know. The State of New Jersey is not a very big state. But, you know, this attitude towards shopping centers is one that is slowly coming around. You know, for many years -- whatever the reasons for the developments were -- we saw a phenomenon in our own time. I am a little older than you are, and I am a little better acquainted with it. We saw highway shopping. The attitude in Hackensack was, "Who is going to go on the highways? We have such beautiful stores here." And, within three years, Hackensack was a ghost town. They never thought it could happen.

But, as long as you said something about that, let me say that other states have taken the lead, and New Jersey might very well think about this. In the State of Massachusetts, five years ago, the then Governor refused permits outside of Springfield and near Pittsfield -- on the western end of Massachusetts -- because they needed state land, and he saw that they would be hurt.

In New Hampshire and in Vermont permits were refused because they also saw that they were going to be hurt by it. We also saw the same situation in Michigan. The concept of a shopping center is not necessarily a benefit to any community. It draws out of the community. Again, it is the developer that makes the money, not the town. I don't know exactly what towns you gentlemen are from, but if you live in a community where there is a central area, you can imagine what it would be if, first of all, it dries up and you get second-hand stores, empty stores, or boarded-up stores.

Then there is the revenue. You know, the retailers will kick when they get a big tax bill, but they pay it. Empty stores don't pay taxes. I want you to know that.

ASSEMBLYMAN FORTUNATO: Mr. Shapiro, I would like to ask you a question. You mentioned the surrounding areas that, in your opinion, would be affected in Passaic County. What do you think would be the effect of the Berry Creek development on Passaic County?

MR. SHAPIRO: Well, Passaic County -- the towns -- would be just as vulnerable. You know, it was mentioned before, that the HUD report said it would hurt ten or fifteen percent. You know, even in the so-called good areas today there are plenty of marginal operators. You take ten or fifteen percent away, and they are not going to be there. But, I think it would hurt more than twenty or thirty percent -- maybe more.

Now, to me the principal town would be Passaic, and Passaic is in trouble now with empty stores. They are doing their best. They are trying to make a mall out of the middle of the town, where the railroad ran. But, I think Passaic is

just as vulnerable.

Again, as Mr. Schuber said, the automobile takes you everywhere, and in a matter of minutes you are into this area from Passaic as well as from any place else.

ASSEMBLYMAN FORTUNATO: How about towns like Clifton or Paterson?

MR. SHAPIRO: Paterson has its own problems between Willow Brook and Paramus. I think it would be just like putting another nail in the coffin. I think it would hurt.

Incidentally, if you look at the list of our supporting organizations, we include the Paterson Chamber of Commerce. They feel that we are doing a service to the whole area -- Hudson, Bergen, Passaic, and Essex Counties. It is a universal attitude amongst the small businessmen. The department stores probably couldn't care less.

ASSEMBLYMAN FORTUNATO: You're probably right. Thank you.

MR. SHAPIRO: Thank you.

ASSEMBLYMAN FORTUNATO: David Burr.

D A V I D B U R R: My name is David Burr. I have a store in Union City. It is my headquarters. I also have a store in Irvington, New Jersey, and I have a store in Hackensack, New Jersey.

Another claim to my fame is, I don't know if Assemblyman Terry LaCorte knows me, but I happen to be a neighbor of his in Clifton. I have to admit that Nat Shapiro is a hard act to follow, but I would like to make mention of a few things that I heard here. Assemblyman Schuber made a comment, and Assemblyman Fortunato wanted to know something. I was practically brought up in Passaic County, and having a store in Hackensack I saw the practical demise of Hackensack when the shopping centers were built in Paramus. Assemblyman Schuber made a comment that Hackensack was coming back. He is right. Hackensack is coming back with law offices taking up retail stores, and the only reason for that is because Hackensack is the county seat, and obviously a lot of lawyers feel that they need space, or representation in the city of Hackensack.

But, the agony that was caused to the retailer in Hackensack for the past twenty-five years, because of the shopping centers -- I don't think we can ignore this. In relation to Passaic, I, for years, was affiliated with Kay's in Passaic. I don't know if you know the store. And, I saw that store deteriorate something awful, when Willow Brook came into being.

The Paramus shopping centers did not have a great impact on the retail stores in Passaic, but when Willow Brook came in, they had the same effect on Passaic that the Paramus shopping centers had on Hackensack. I respectfully predict that if Berry's Creek is built, it will be the coup de grace for Passaic. Passaic will just be devastated.

As far as Rutherford is concerned, Rutherford will be vaporized. Rutherford is such a wonderful little town, and everybody there is making such a nice living. I just can't picture how they are going to compete with the massive shopping centers.

Another question came up. I think Assemblyman Schuber asked whether we need these additional shopping centers. I don't see anyone walking along the street not being properly clothed, not having a place to buy food, or not having a place to buy a car. I think the place is over-built with available shopping. The need for shopping in this whole area is questionable. Every store that is in business today is having a struggle trying to keep their business.

Now, we, from Crusade, don't feel that there should be nothing done in the Meadowlands. If they would stick with the Meadowlands Plan and provide enough shopping to accommodate the people who live and work there, fine; we have no objections. As a matter of fact, I would even entertain the idea of opening a store there. But, to take an overpowering amount of shopping and just make a trade-off against the little stores in the these little towns, who are loyal citizens, who do their thing every day -- they have their families; they have to send their kids to college -- means that you are taking their bread away from them, and this is a very, very difficult thing. I think as far as the big operators are concerned, it is a heartless thing to come in and destroy all these things. Then, the irony of the thing is, the United States government comes in and spends hundreds of millions of dollars to rehabilitate something that never should have been torn down in the first place. It is like a vicious circle.

If there are any questions, I will be glad to answer them.

ASSEMBLYMAN LA CORTE: I would just like to say that it is nice to see you again.

MR. BURR: Thank you.

ASSEMBLYMAN SCHUBER: I would just like to comment that, with regard to Hackensack, what I said was that it was coming back from a different direction -- the professionals. It is not coming back commercially, there is no question about that.

MR. BURR: What happened to all the other stores? The only reason, frankly, that I am able to exist in Hackensack -- and it is a struggle -- is because I have two other very prosperous stores that are able to support it. In other words, if Hackensack was the only store that I had to depend on, I would have been out of there a long time ago.

ASSEMBLYMAN SCHUBER: Hackensack may do better. I even walk up to your store from my office, which is by the Court House.

I don't know, it would appear to me that there is a certain thing with regard to shopping centers. I don't know what it is, whether it is just psychological or what, but people prefer to get into their cars and travel out onto the highway than to go locally.

You know, obviously, you have the shopping centers, which are contributing in part to your problem, but I think part of your problem also is the lack of public transportation into the local cities that used to be there; it is not there anymore.

I also think that possibly another problem with regard to this is the condition of the roads and inadequate parking in the municipalities. Many times, it is not available any more for the amount of people who might want to go there. I think the State ought to be looking into some way to shift some of the money into those areas. This, I think, would help your area quite a bit.

These are just some of my thoughts on the problem. I still hold some of my thoughts open on Berry's Creek, as to the necessity for it. I think that your organization -- your businesses -- is not going to be helped by those types of things, which are beyond the scope of this Committee.

MR. BURR: Have any of your gentlemen been to Dover lately? Dover was a terrific little town, and they built a shopping center. What is the name of that shopping center?

MR. SHAPIRO: It is on Route 10. Dover was one of the best little towns, and it was destroyed by the one on Route 10, which is now being destroyed by another one in Rockaway -- one shopping center against the other one, which originally destroyed Dover. Dover was the sweetest town around here. You can do anything

you want there today.

MR. BURR: As far as Passaic County is concerned, I lived in Passaic County practically all of my life. I live in Clifton now. I lived in Passaic for a number of years, and I saw Passaic go from a terrific business town right down the drain. I don't know if Paterson would be affected as much by Berry's Creek because Paterson has already had their thing done to them by Paramus and Willow Brook.

I also was affiliated with a store in Paterson, years ago, called the Junior Shop, on Main Street, and Willow Brook put them out of business. There is an empty lot there now.

You take a ride down and see what has happened to all these main streets. It is really a shame. I don't know, to me this is like a national heritage. You go to any foreign country. They maintain their main streets. You just enjoy walking down them and seeing how people live. All these old buildings are still being maintained. Here we just tear them up, rip them down, destroy them, and build them up again.

ASSEMBLYMAN LA CORTE: Dave, I respect you as a retailer. I know you certainly know the area. But, I question whether Passaic wouldn't have had a demise anyway -- maybe it was brought about a lot sooner -- with or without a Willow Brook coming in. Do you think that without a Willow Brook, Passaic could have survived?

MR. BURR: There is no question.

ASSEMBLYMAN LA CORTE: As a viable shopping center?

MR. BURR: There is no question in my mind, and I will tell you why. I have experienced, myself, the reverse process in Union City. When I came to Union City, everybody said I was crazy for opening a store. Fifty percent of the stores were empty on Bergenline Avenue. Then the Cubans came in and started to establish businesses there. When they started to establish businesses there, all the other ratables in town were taken over. People were buying these things up, and they were renovating them. It did a terrific thing for the tax base in Union City too. Now, that was just the reverse of what happened to Passaic.

If you have a viable business town and the merchants are prosperous, I don't see any reason why the town should deteriorate - other aspects of it. People who work there want to live there, so I think you will have a direct result between shopping areas and the deterioration of main streets in any town where you have a shopping mall within a reasonable proximity to the town.

ASSEMBLYMAN LA CORTE: Thank you.

MR. BURR: Thank you.

ASSEMBLYMAN FORTUNATO: Thank you, Mr. Burr. Is there anyone who has not testified and would now like to make a statement? (no response) No? All right, then obviously we have had some people sign up to make a presentation who did not come here tonight.

I want to thank those who did appear and participate this evening. To give you a little bit of background on what this Committee has already done with regard to this current situation, we have heard from the other side in Trenton, at one of our regularly-scheduled Committee meetings, and we will again meet with representatives of the Commission in the near future.

I think it is also important that you understand that this Committee is going to be a very long arm of the Legislature. You will be able to touch the Legislature through this Committee. You may not have been able to do that in the

past. I think it is the philosophy of Assemblymen LaCorte and Schuber that the Legislature be communicative with the constituency. This is a problem. We were elected to represent the constituency to solve -- help solve -- problems. So, we are going to be trying to come up with solutions to the problems that are beginning to arise.

In recapping some of the testimony, Mr. Irwin expressed the feeling of no communication with the Commission, and the lack of oversight on the part of the Legislature over the Commission.

Councilman Carrino indicated that in his town businesses were suffering due to the Meadowlands and also Atlantic City, and that transportation currently on the books would be drained and canceled for the new transportation projects that have been scheduled for Berry's Creek. Housing -- instead of giving people a reason to remain in the older cities, shall we say, people were being given a reason not only to leave the cities and not live there, but to not even shop there. And, as I indicated before, it has always been my philosophy that once the inner-city begins to crumble -- begins to deteriorate -- then it spreads throughout the community, and when that happens, you are going to see the ratables drop, and you are going to see a ghost town. As someone indicated earlier, all you have to do is to look at Washington Avenue, right here, and see the empty storefronts. I am sure the members of this Committee don't want that to happen to any town, whether it be in their district or in the surrounding districts that they don't directly represent.

Mr. Ferri also indicated something about ratables, and the hearing being held here in Belleville. The reason -- and I indicated this to you -- that it was held here was because the people in Belleville had expressed concern with their shopping district.

Mr. Shapiro referred to community involvement by business and the fact that the bigger businesses don't participate. It is important that they do participate. Shopping districts begin to deteriorate, as has been experienced by other states. Learning from the other states, I would think it is about time that this state exercise very close scrutiny over some of the independent commissions that exist, and that is why this Committee -- I can assure you that is why -- was created.

Mr. Burr mentioned his experience in business, in watching the shopping districts crumble, and I found his comment about European businesses, or shopping districts, very interesting. I think you said it was a heritage to have a downtown shopping center. I happen to agree with you in that regard.

Is there any other comment? Would anyone like to make any statement at all before we adjourn this segment of the Committee's involvement with the Berry's Creek question?

MR. SHAPIRO: If you schedule another session of this Committee, will we hear about it?

ASSEMBLYMAN FORTUNATO: Yes. The next session will probably be in either Bergen County or Passaic County.

MR. SHAPIRO: Is the transcript available from your Trenton hearing?

ASSEMBLYMAN FORTUNATO: It wasn't a public hearing; it was just a Committee meeting, at which we invited Commission members to participate and give a statement. I think as we begin to feel our way, we will have closer communication with the Commission and Chairman Scardino as to what is going on over there. That I will assure you.

MR. SHAPIRO: What is the title of your Committee?

ASSEMBLYMAN FORTUNATO: Independent Commissions and Authorities.

MR. SHAPIRO: Thank you.

ASSEMBLYMAN FORTUNATO: Is there anything else? (no response) Okay.

Thank you very much. This hearing is adjourned.

(hearing concluded)

