



Testimony on A4196, "Meadowlands Clean-up" bill Assembly Commerce and Economic Development committee

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To: Sens. Johnson, Caride, Benson, Bucco, DeCroce, Mosquera, Mukherji, Munoz, Oliver, Pintor Marin

Dear committee members:

As an organization committed to smart growth and a healthy environment in New Jersey, New Jersey Future urges you to amend A4196 significantly before voting it out of committee.

The New Jersey Meadowlands program has been enormously successful in promoting both the economic prosperity and environmental restoration of this extraordinary area. The current law that this bill seeks to modify undermines all that has been achieved in economic development, regional planning and environmental protection in the New Jersey Meadowlands. In doing so, the law reignites self-defeating competition among the tightly-packed municipalities of the Meadowlands, which the program was instituted to replace with cooperation and shared growth. The bill before you has an opportunity to correct these issues.

Since 1969, the New Jersey Meadowlands Commission has led the transformation of a landscape once dominated by orphaned landfills into a thriving region with strong communities, robust economic activity and important environmental assets. The commission was created by the Legislature to provide for the region's "orderly development," protect the "delicate balance of nature" and provide facilities for solid waste. Its enabling legislation granted the commission authority over land-use planning and zoning and development review for the parts of 14 municipalities under its jurisdiction, and created a regional tax-sharing formula to support its designation of areas for growth and for environmental conservation.

The proposed bill, A4196, while an improved version of the recently passed A3969/S2647, still restructures and weakens the Meadowlands program in several fundamental ways and creates new problems where none existed before, including the following:

- 1. It eliminates one of the most successful regional planning and tax-sharing organizations in the country, and along with it a 40-year legacy of cooperation, property-tax containment and shared-service provision.** There should be no misunderstanding: The bill eliminates the New Jersey Meadowlands Commission and virtually all of its responsibilities. There is no new regional commission being created; just a pseudonym. We recommend working with regional planning experts such as our organization, the Regional Plan Association, members of the American Planning Association's New Jersey chapter, the Pinelands Preservation Alliance and the Highlands Coalition to ensure that important Meadowlands regional planning, economic-development and coordination functions and responsibilities will be carried out effectively by the Sports and Exposition Authority.

2. **It makes economic development more risky due to confusion around land-use approval responsibilities.** The bill attempts to move more land-use approval authority to the municipalities, but in so doing creates ambiguity over development approvals. This means that anyone wanting to develop or redevelop in the Meadowlands will be doing so at great risk that their project approvals will not be valid, or at the very least will be open to relevant and reasonable lawsuits. This is likely to put a damper on development and investment plans in the region. We recommend clarifying the responsibilities between the Sports and Exposition Authority and the municipalities, similar to the way it is done in the Pinelands.
3. **It puts state taxpayers on the hook for subsidizing some Meadowlands towns, while allowing others to reap a windfall.** This bill, along with its predecessor, substitutes the 40-year-old regional tax-sharing system with a new hotel tax designed to meet the needs of the “receiving” municipalities. If the hotel tax does not generate enough revenue to pay receiving towns what is owed them, the state is obligated to make up the deficit. If the hotel tax generates surpluses, then the authority and the towns can spend that money, without regard to future or past deficits. We recommend that any surpluses be put into a reserve account to cover future deficits. After some high reserve threshold is met, the commission should be able to spend these funds on the uses identified in the bill. Under no circumstance should the state be required to fund the deficit. This sets a very bad precedent.
4. **It transfers to the Sports and Exposition Authority the development rights to Liberty State Park, putting the state’s largest urban park at risk of unbridled development.** The Liberty State Park development issue is not resolved adequately in this bill. While the bill makes it clear that DEP still maintains “ownership” of the park, the Sports and Exposition Authority in effect has the development rights, which means that they can make all decisions about what gets developed in the park. Development rights can be separated from ownership. There is no additional authority, review or approval required by the Sports and Exposition Authority to develop anything and everything within the park. These development rights should remain with DEP. We recommend eliminating this section in its entirety. It is our understanding that the DEP and the Sports and Exposition Authority already have the legal means to create inter-agency agreements to do all the things that DEP says it wants done, which is a much more transparent and reasonable approach.
5. **It maintains loopholes that undercut the intent of the bill:**
 - a. **Municipal exemption from following the regional plan is too large.** There were many good clarifications regarding local authority in the bill, but one glaring clean-up is still needed to ensure municipal compliance with the regional plan. The bill’s removal of all “projects for public recreation, public safety, and the general welfare of its citizens” from the authority’s jurisdiction means that towns will not need to conform in any way with the regional plan or zoning requirements. This exception should be removed.
 - b. **Transparency is undermined.** There were many good clarifications regarding the public process in the Areas in Need sections; however, all of these good intentions are undermined by including the one sentence, “Failure to mail notice as required by this section shall not invalidate the investigation or determination.” This means the requirement to notify the public is really optional. This sentence should be removed.

As an organization committed to the Meadowlands’ continued economic and environmental health, New Jersey Future is concerned that special interests are driving statutory changes that would unravel a longstanding and highly successful regional planning effort. For these reasons, we urge you to modify this bill before voting it out of committee, and we would welcome the opportunity to work with legislators and staff to do so.

The following pages include citations for where the above issues arise in the bill.

Meadowlands “Clean-up” Bill A4196, March 9, 2015

Clarifies and revises certain aspects of the “Hackensack Meadowlands Agency Consolidation Act.” The clean-up bill does clarify and clean-up a number of problems with the original bill, but still needs work. Our comments are below.

1. Eliminates the New Jersey Meadowlands Commission and its responsibilities

There should be no misunderstanding; the bill eliminates the New Jersey Meadowlands Commission and virtually all of its responsibilities. There is no new regional commission being created, just a pseudonym.

Page 4, definition “commission”. This section doesn’t actually create the Meadowlands Regional Commission, just lets the Sports and Exposition Authority use the name when convenient.

Page 12, section 7.b. This section establishes the *authority* to create a regional master plan, but not the *requirement* to create one. Page 14, section 10.a. creates a requirement to prepare “and adopt a master plan, *or portion thereof*”, which means that the commission can choose to only adopt a plan for a small portion of the region if it chooses.

Pg. 17, section 19. When describing the responsibilities of the commission, it changes the language in all sections from “shall” to “may”, which eliminates all historical mandates of the New Jersey Meadowlands Commission and removes all requirements for action.

2. Leaves one major loophole when ceding control to local municipalities

There were many good clarifications regarding local authority in the bill, but one glaring clean-up is still needed.

Page 17, section 11.c. While this section is better than the previous bill language, it still eliminates the need for towns to conform to the regional master plan and zoning, while simultaneously removing them from the commission’s jurisdiction. By removing all “projects for public recreation, public safety, and the general welfare of its citizens” from the commission’s jurisdiction, towns will not need to conform in any way with the regional plan or zoning requirements.

3. Liberty State Park development rights will be owned by the Sports and Exposition Authority

The Liberty State Park development issue was not adequately resolved. While the bill makes it clear that DEP still maintains “ownership” of the park, the Sports and Exposition Authority in effect has the development rights, which means that they can make all decisions about what gets developed in the park. These development rights should remain with DEP. See page 18, section 19.m.

4. “Area in Need” improvements to the bill leaves one minor loophole

There were many good clarifications regarding the public process in Areas in Need sections, however all of these good intentions are undermined by including the one sentence, “Failure to mail notice as required by this section shall not invalidate the investigation or determination.” This means the requirement to notify the public is really optional. See page 21, section 23.d.

5. Tax sharing leaves state paying for deficits while towns spend surpluses

The section creating the new hotel tax is improved, but leaves two glaring problems. First, if the hotel tax does not generate enough revenue to pay receiving towns what is owed them, then the state will make up the deficit. See page 30, section 85.d.

Second, if the hotel tax generates surpluses, then the commission and towns can spend that money, without regard to future or past deficits. See page 30, section 85.e.

Any surpluses should be put in a reserve account to cover future deficits. If after some high reserve threshold is met, then the commission should be able to spend these funds on the uses identified in the bill. Under no circumstance should the state be required to fund the deficit. This sets a very bad precedent and corresponds to the illogical case made for state support on page 28, section 83.d.

6. Clarifications requested

Why remove the authority of the commission to “use special assessment powers to fund flood control projects in, or near, the drainage areas that impacts the Hackensack meadowlands”. Given all that we know about flooding in this area, this authority should be kept. See page 19, section 20 b.(1)

Why move the Meadowlands Transportation Planning Board from the Department of Community Affairs to the Department of State? If it is moving, then a representative from the Department of State should sit on the board. See page 27, section 72.b.