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New Jersey Park Development Plans Spur Opposition

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A study by New Jersey officials exploring potential development opportunities at Liberty State Park in Jersey City as a way to generate new revenue is being met with skepticism by some elected officials.

The New Jersey State Senate held an Oct. 19 hearing to examine the state's potential development plans for the site near the Statue of Liberty, with many groups voicing opposition to privatize the park.

Gov. Chris Christie signed a bill in July that allows the New Jersey Sports & Exposition Authority development bonding power at the park to go along with its previous ability to finance public-private partnerships on the 1,212-acre site.

A "Liberty State Park assessment report" was developed at a cost of \$120,000 by Biederman Redevelopment Ventures for the Christie administration and submitted to the New Jersey Department of Environmental Protection this spring, but the findings have not yet been released.

Skeptics of the Republican governor's plans for the park have filed suit to get the report released.

"I am considering intervening in the case that is before the Superior Court to force the administration to release the taxpayer-funded report detailing possible revenue-generating activities in Liberty State Park, Senate Majority Leader Loretta Weinberg, D-Teaneck, said in a statement to The Bond Buyer Friday. "I believe strongly that New Jersey residents have a right to know what steps the state is taking towards developing or otherwise creating a money-making venture in a public park, particularly when their tax dollars have funded the state's research,"

The case, William P. Bednarz v. New Jersey Department of Environmental Protection, is in Superior Court in Mercer County.

"We know the state is considering ways to bring in revenue from Liberty State Park," Weinberg said in a September news release announcing plans for the Oct. 19 Environment and Energy Committee hearing.

"Any alterations to the landscape could have wide-ranging impacts on our state," she said.

New Jersey has the second lowest credit ratings of all the U.S. states, above only Illinois, due largely to pension liabilities and budget imbalance. The Garden State is rated A2 by Moody's Investors Service and A by Fitch Ratings and Standard & Poor's.

"Liberty State Park is a New Jersey treasure and a major asset to our state," State Senate Environment Chairman Bob Smith, D-Piscataway, said in a September statement. "Any proposals to develop or in any way monetize the park should be publicly vetted."

Liberty State Park opened in 1976 to coincide with celebrations planned that year for America's biennial, using open space created by the removal of large-scale rail facilities.

The Central Railroad of New Jersey terminal building still stands as a centerpiece of the park, though it's been closed since Hurricane Sandy.

A 2010 proposal that sought to use the park for Formula One Grand Prix auto racing drew objections and was rejected by the New Jersey DEP. The park is operated and maintained by the New Jersey Division of Parks and Forestry.

Kevin Roberts, a spokesman for New Jersey Gov. Chris Christie, said "there are no specific development plans at Liberty State Park presently" and referred comments about the Biederman study to the DEP.

Christie announced a Sustainable Parks initiative in November 2011 that encourages self-sustaining revenues.

New Jersey DEP spokesman Bob Considine said there are no "current plans" for development at Liberty State Park and described the assessment report from Biederman as a study to examine the possibility of future enhancements. He said the DEP is exploring options to improve amenities at Liberty to meet Governor Christie's 2011 Sustainable Parks initiative.

"Liberty State Park is one of the crown jewels of the state park system," said Considine. "At the same time, it's a large space that operates at an annual loss. So we're looking to see how and what we can do better to make it a destination for more people, while maintaining sensitivity to the spirit and character of the park."

Sam Pesin, president of the Friends of Liberty State Park, submitted testimony for the Oct. 19 hearing emphasizing that the park already offers economic benefits to New Jersey by attracting tourists who want to see views of the Manhattan skyline who then spend money at Jersey City businesses or stay at hotels. The park is home to the Liberty Science Center museum and is also a base for ferries to the Statue of Liberty and Ellis Island.

Pesin said his biggest concern is the possibility of a concert venue shell leased to a private company.

"For the park's 39 years, the overwhelming majority has strongly supported a free and green open space park, without commercialization and privatization, no matter what revenue was promised," said Pesin. "The coming DEP plans will be an attack on the quality of life of the urban people and an attack on the purpose and meaning of this priceless and sacred New Jersey and American park."

The Sustainable Parks [report released](#) in November 2011 by the New Jersey DEP said there was no intention to increase the number of large-scale events at Liberty, but that the state wants to receive "fair compensation" when hosting them. The report mentioned how Liberty only is able

to charge \$550 a day for field use compared to \$18,000 at Randall's Island in New York City.

The waterfront location of Liberty State Park with Manhattan views could make commercial development an attractive option, according to Jonathan Peters, a finance professor at the College of Staten Island. However, Peters said the state needs to be cautious in finding that proper balance between finding new revenue streams while not giving too much control to the private sector.

"You don't want all the benefits to go to the private entity and the costs to go to the public," said Peters. "The government has to be very careful where it extends its lending ability."

The press office for Jersey City Mayor Steven Fulop did not respond to requests for comment on how private development in Liberty Park would impact his city.

Fulop announced in January plans for the Liberty Science Center to develop a new 16-acre science and technology campus featuring a science-themed hotel and technology business incubator. He described the move as "a major departure from past practices of selling property to private developers."

Moody's Investors Service upgraded Jersey City's bond rating one notch to A1 in November 2014 citing a large tax base and rising income levels.

State Senate President Steve Sweeney, D-Gloucester, introduced a bill looking to keep the Sports and Exposition Authority out of any Liberty Park plans, but a compromise in the legislation signed by Christie kept the authority involved.

"The NJSEA has not played any role in matters associated with Liberty State Park," spokesman Brian Aberback told The Bond Buyer.



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