

THE BOND BUYER

New Jersey Transit seeks ideas to move American Dream shoppers

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Published

October 21 2019, 2:20pm EDT

New Jersey Transit is exploring a public-private partnership to finance "innovative" transit options to move crowds to and from the Meadowlands for football games and the bond-funded American Dream Meadowlands mall and entertainment venue.

The agency announced the [innovation challenge](#) last week in an effort to add capacity, shortly before the massive American Dream retail/entertainment complex is set [to open](#) Friday.



New Jersey Transit, which owns this largely unused rail spur to the Meadowlands, is seeking "innovative" financing to bring people to the new American Dream mall there. **Bloomberg News**

NJ Transit already has a decade-old rail spur built to carry people to events at next-door MetLife Stadium where the NFL's New York Giants and Jets play.

That spur, which has struggled to handle peak crowds at the end of football games, will remain unused on non-game days as NJ Transit, pleading budget limitations, will only offer buses as a public transit option from the Secaucus Junction train station seven miles away.

"Through this challenge, we're exploring the possibility of a public-private partnership to move approximately 20,000 people per hour between Secaucus and MetLife stadium, which is about double our current maximum capacity on rail," NJ Transit CEO Kevin Corbett said during the agency's board of directors meeting last Thursday.

The Meadowlands Rail Line opened in 2009 and was originally conceived as a link to the mall, which was delayed after the 2008 financial crisis.

The nation's third busiest statewide public transportation system encountered a host of [fiscal obstacles](#) under former Gov. Chris Christie and continues to struggle to install required [safety technology](#) and hire enough engineers to run its trains.

"We want to do this as a public-private partnership because that is the most expedient way for us to do it and it relieves the burden of finances on transit," said New Jersey Department of Transportation Commissioner Diane Gutierrez-Scaccetti, who is also a NJ Transit board member.

American Dream planners project more than 40 million annual visits drawing from more than 19.5 million residents in a 50-mile radius and New York City's large tourism base of more than 65 million yearly visitors.

The 3-million-square-foot complex was financed with a \$1.1 billion tax-exempt revenue bond [transaction](#) in June 2017 backed by a payment-in-lieu-of-taxes agreement between developer Triple Five Group and the borough of East Rutherford. The [unrated deal](#) featured \$800 million in limited obligation revenue bonds and \$287 million of grant revenue bonds supported by anticipated sales tax revenue.



The American Dream Meadowlands mall and entertainment venue is scheduled to open in four phases starting Friday.

Bloomberg News

The Wisconsin-based Public Finance Authority was conduit issuer for New Jersey Sports & Exposition Authority, which operates the Meadowlands District.

Triple Five, which also runs Mall of America in Minneapolis, pitched bondholders about unique entertainment aspects of the project such as a DreamWorks indoor water park, indoor ski slope, Nickelodeon Universe and an outdoor observation wheel with views of the nearby Manhattan skyline. The complex will be around 55% entertainment and 45% retail.

American Dream is opening in four phases starting this Friday with an NHL-regulation ice rink and Nickelodeon Universe, which Triple Five is touting as the Western Hemisphere's largest indoor theme park. The water park is slated to debut on Nov. 27 followed by the indoor ski facility on Dec. 5. The mall's 350 retail stores are scheduled to open in March.

A formal launch event for NJ Transit's American Dream innovation competition is scheduled for Nov. 7 at MetLife stadium. Advanced registration is required.