

2016-2017 ANNUAL REPORT



New Jersey Sports and Exposition Authority
One DeKorte Park Plaza • Lyndhurst, NJ 07071 • 201.460.1700



MESSAGE FROM THE PRESIDENT & CEO

On behalf of the New Jersey Sports and Exposition Authority (NJSEA), I am pleased to present our 2016/2017 Annual Report. The past two years have been an exciting time for the NJSEA during which the agency has helped to foster the ongoing final phases of construction of the American Dream project.

Wayne W. Hasenbalg

The entertainment and shopping destination at the MetLife Sports Complex in East Rutherford is the most significant economic growth vehicle in the Meadowlands District in decades. The completion of American Dream will position the region as a major global destination.

Financing for the project's completion included an NJSEA \$1.1 billion bond issuance that was closed in June of 2017. The non-recourse bonds hold no risk for taxpayers; all risk is assumed by the bondholders. The bond sale is cause for great celebration. American Dream will bring an estimated 23,000 permanent jobs to the Meadowlands and 40 million visitors annually. The Authority is proud to have played a crucial role in seeing this vital project to its fruition.

We have witnessed many companies make the wise decision to locate in or expand within the Meadowlands District, taking advantage of its numerous attributes. The region is in close proximity to Manhattan as well as critical highways, sea and airports, and mass transportation networks. As reported by news media, occupancy rates, especially for warehouses, are at a premium.

At the same time that the NJSEA has furthered economic development in the District, the Agency has advanced its goal of protecting the delicate Meadowlands environment and unique urban eco-system.

In late 2016, the Authority greatly strengthened the reach of its Meadowlands Environmental Research Institute (MERI) through a merger with Rutgers University. Uniting the intellectual and technological resources of these premiere research entities considerably expands the breadth and depth of MERI's work. The Institute has played a large role in helping to spur an environmental renaissance in the Meadowlands.

These are just some examples of the great successes that the NJSEA has recently accomplished. We are dedicated to building upon this solid foundation and look forward to further cultivating the Meadowlands as an economic powerhouse and environmental jewel in the years and decades to come. ■

OVERVIEW OF THE NEW JERSEY SPORTS AND EXPOSITION AUTHORITY



The New Jersey Sports and Exposition Authority (NJSEA) was founded in 1971. The Agency holds the land lease for and provides for the ongoing operation of the MetLife Sports Complex and is the regional planning and zoning authority for the 30.4-square-mile Hackensack Meadowlands District, which includes parts of 14 towns in Bergen and Hudson counties.

The MetLife Sports Complex in East Rutherford, then known as the Meadowlands Sports Complex, opened in 1976. Hundreds of millions of people from around the world have visited the renowned sports and entertainment hub over the past 40 years. The Complex includes MetLife Stadium, which is home to the New York Giants and New York Jets and hosts concerts and other events; the Meadowlands Racetrack; the American Dream entertainment and shopping destination; and the Meadowlands Arena.

The Authority owns the Wildwood Convention Center and holds the land lease for the Monmouth Park Racetrack in Oceanport; the Favorites off-track wagering facility in Woodbridge; and the Atlantic Health Jets Training Center in Florham Park.

As a regional planning and zoning agency, the NJSEA promotes economic growth and environmental preservation in the Meadowlands District through its absorption of the former New Jersey Meadowlands Commission in 2015. By closing dozens of orphaned landfills that defined the District in the 1960s and early 1970s, and preserving thousands of acres of environmentally-critical wetlands, the agency over the past five decades has attracted billions of dollars in economic development to the Meadowlands while fostering the region's environmental comeback.

The NJSEA's DeKorte Park headquarters in Lyndhurst is also home to the Meadowlands Environmental Research Institute (MERI), which is operated in partnership with Rutgers University. The agency's Meadowlands Environment Center, which provides environmental education programs to students in Grades K-12 through a partnership with Ramapo College of New Jersey, is also housed at the Lyndhurst Headquarters.

The Meadowlands District municipalities in Bergen County are Carlstadt, East Rutherford, Little Ferry, Lyndhurst, Moonachie, North Arlington, Ridgefield, Rutherford, South Hackensack and Teterboro. Hudson County municipalities in the District are Jersey City, Kearny, North Bergen and Secaucus. ■

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ECONOMIC GROWTH

Many companies in recent years have moved to or expanded within the Meadowlands District, realizing that the region's many unique attributes - including its proximity to Manhattan and major highways, air and seaports - best suit their business needs. The District has become especially popular for data centers, which provide backup computer servers for companies mostly based in Manhattan.

The professional planners and engineers of the Authority's Land Use Management Division (LUM) are available to meet with developers and businesses throughout the application process. LUM staff is responsible for planning, regulatory/zoning review, Uniform Construction Code (UCC) plan review, transportation planning and engineering support services. ■



ECONOMIC DEVELOPMENT HIGHLIGHTS

2017

- Teterboro Landing, a redevelopment project on the former Honeywell site in Teterboro, is nearing build-out of approximately 400,000 square feet of new commercial space, including new Costco and Walmart big-box retail stores, and several new restaurants. The project also includes the development of approximately 136,000 square feet of light industrial space and 20,000 square feet of office space.
- UPS received approval to occupy a 170,000-square-foot, newly-renovated warehouse on Valley Brook Avenue in Lyndhurst.
- Construction continues on StorQuest, a 151,500-square-foot self-storage facility located on Tonnelle Avenue in Jersey City.
- Construction is ongoing at Aloft, a 175-room boutique hotel located on Harmon Meadow Boulevard in Secaucus.
- An application is under review for 111 multifamily units on the Route 3 Service Road in East Rutherford by the same developer (BNE Homes) who constructed the nearby Monarch residences.

2016

- Wacoal constructed 78,656 square feet in warehouse additions at its current location on Polito Avenue in Lyndhurst.
- A new, 218-unit multifamily residence was approved along Chubb Avenue in Lyndhurst, by the same developer (Petrucci) who constructed a nearby apartment complex in 2015. The site is currently under construction.
- A new 302,727-square-foot warehouse building being developed by Hartz Mountain Industries on the former Panasonic site in Secaucus along Meadowland Parkway was approved, and is currently under construction.
- The conversion of an existing building in East Rutherford to the new 77,000-square-foot Meadowlands Area YMCA facility was approved, with an additional 9,600-square-foot addition currently nearing completion.

2015

- FedEx Ground completed construction of a 307,247-square-foot warehouse, 5,180-square-foot maintenance garage, 2,940-square-foot gateway building and a fueling station, with associated site improvements, on Secaucus Road in Jersey City.
- On County Road in Secaucus, the NJSEA approved two warehouse/distribution buildings with a total of 203,600 square feet of ground floor area along with associated site improvements. The buildings are currently under construction.
- PSE&G received approvals for the portion of its Bergen to Linden Corridor Upgrade Project within the Meadowlands District. The project includes building a 345 kilovolt transmission system running from PSE&G's Bergen Switching Station in Ridgefield to its Linden Switching Station. It will improve electric system capacity in Northern New Jersey, providing better power quality in the region.
- On Palmer Terrace in Carlstadt, approval was granted for the demolition of an existing 46,545-square-foot office building and the construction of a new 53,152-square-foot warehouse and distribution facility with associated site improvements.
- The International Longshoreman's Union completed construction on a 9,242-square-foot third-floor addition and 432-square-foot lobby addition to its existing headquarters in North Bergen.

REDEVELOPMENT



NJSEA NJ-licensed professional staff prepares in need of redevelopment studies, holds public hearings, and prepares redevelopment plans and amendments in accordance with N.J.A.C. 19:3-5.1 et seq. Staff recommendations are presented in resolutions to the Board of Commissioners for their action. In need of redevelopment studies are initiated by NJSEA staff or by petition from the constituent municipalities or the public.

The redevelopment process has proven beneficial for District municipalities, as well as the overall region. As brownfields and areas of contamination and dilapidation are rehabilitated through the process, the region reaps the benefit of cleaner, aesthetically-enhanced sites, in addition to the economic benefit of increasing the value and usefulness of underutilized properties.

The NJSEA works closely with its constituent municipalities to identify sites in need of redevelopment and prepare redevelopment plans in a public forum, with input from government entities, as well as the public at-large. ■



NJSEA REDEVELOPMENT AREAS:

- 16th Street Redevelopment Area (North Bergen)
- Belleville Turnpike Redevelopment Area (Kearny)
- Highland Cross Redevelopment Area (Rutherford)
- Kearny Area Redevelopment Area (Kearny)
- Kingsland Redevelopment Area (Lyndhurst, Rutherford, North Arlington, Kearny)
- Koppers Coke Peninsula Redevelopment Area (Kearny)
- Lyndhurst Block 228, Lot 3 (Lyndhurst)
- Paterson Plank Road Redevelopment Area (Carlstadt, East Rutherford)
- Route 3 East Redevelopment Area (East Rutherford)
- Secaucus Transit Village Redevelopment Area (Secaucus)
- Teterboro/Industrial Avenue Redevelopment Area (Teterboro)
- Vincent Place Redevelopment Area (Teterboro)



TRANSPORTATION PLANNING

The NJSEA in 2017 completed the implementation of its innovative Meadowlands Adaptive Signal System for Traffic Reduction (MASSTR) project.

MASSTR entailed the modernization of 123 signalized intersections throughout the Meadowlands region to reduce traffic delays, congestion and airborne emissions. It is the first adaptive signal system of its kind in New Jersey and the largest system to be implemented at one time in the country.

Using an intricate network of technology, including traffic signal controllers, detection devices, radio transmitters, antennas and a mix of wireless and fiber-optic communication, transportation engineers program traffic signals to continuously adjust their timings based upon the changing flows of traffic in real-time. Staff is also able to make adjustments from the Traffic Management Center in the NJSEA's Lyndhurst location.

The project is expected to annually reduce vehicle delays by 1.2 million hours, gasoline consumption by more than 1.2 million gallons and harmful greenhouse gas emissions by more than 11,000 tons. ■

NATURAL RESOURCES MANAGEMENT DEPARTMENT

Improvements to the Meadowlands District's unique urban ecosystem are supported by the work of the Natural Resources Management Department. The Department's surveys and studies on the region's flora, fauna, and critical wetlands help guide enhancement and protection of the environment.

These efforts include management of invasive plants such as common reed (*Phragmites australis*), mile-a-minute weed (*Persicaria perfoliata*), and tree-of-heaven (*Ailanthus altissima*). The data gathered through such research furthers the NJSEA's ongoing commitment to exploring ways to improve and protect vital natural resources in the region.

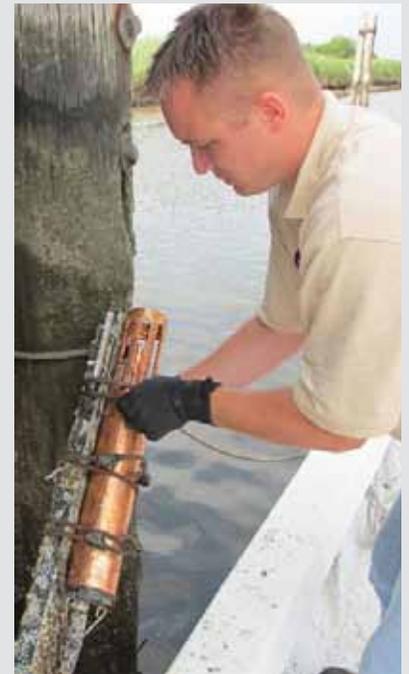
Current Natural Resources work includes a joint study with the Meadowlands Environmental Research Institute (MERI) examining changes in the diversity and density of benthic invertebrates – crustaceans, snails, worms, clams and other small creatures that inhabit the bottom of wetlands and waterways and provide food for fish as well as birds. The project, "Benthic Biodiversity and Benthic Pollutant Loads in Emergent Marshes of the NJ Meadowlands," is funded by the U.S. Environmental Protection Agency and began in 2015. Collected samples are currently being compared to specimens gathered at the same locations during previous studies between 1999 and 2002.

This data will equip the NJSEA with new knowledge about the ecological health of the Hackensack River system, its surrounding marshlands and the associated food web.

Another component of the research is to determine the concentration of contaminants in the sediments at wetland sites in the District, and the concentrations of contaminants in the benthic invertebrates living in those marshes. Data collected will provide information on the extent to which contaminants enter the ecological food web.

Natural Resources staff also continues to analyze data from a multiyear inventory of fish and benthic invertebrates of the Hackensack River and major tributaries in the Meadowlands. A total of 210 fish collections and 312 benthic invertebrate collections were made in the most recent study. ■





MEADOWLANDS ENVIRONMENTAL RESEARCH INSTITUTE (MERI)

The Meadowlands Environmental Research Institute (MERI) is operated in partnership with Rutgers University. MERI is a premier research institution whose scientists perform critical studies that have helped the Authority to better understand, manage and improve the Hackensack River.

MERI staff continually monitors and studies the region's water, air and soil quality. When adverse conditions are discovered, researchers study possible factors and formulate methods to mitigate negative influences. MERI's work has played a key role in the revitalization of the Meadowlands' unique urban ecosystem, leading to the return of birds, fish and other species of wildlife that now call the region home.

Aerial 3D topographical images created by MERI using advanced technology enhance on-the-ground scientific research. MERI in 2017 purchased a splash drone and intends to expand its aerial imagery collection by flying a 10 megapixel Go-Pro camera mounted on the drone. This application will enhance wetland and landfill monitoring, and will be used to train the next generation of environmental scientists.

MERI GEOGRAPHIC INFORMATION SYSTEMS GROUP (GIS)

MERI provides vital resources to Meadowlands District first responders and municipal officials through its Geographic Information Systems (GIS) digital mapping program. The GIS team uses progressive technology to create, maintain and update web-based digital maps and mapping tools for every property in each Meadowlands District municipality.

The maps provide emergency officials immediate access to critical information, including continuously updated data on hazardous materials stored in warehouse facilities, fire hydrant locations, incident reports, floor plans, turn-around space for firetrucks, and current and historical aerial imagery. This potentially life-saving information can easily be accessed from field computers, tablets and smartphones.

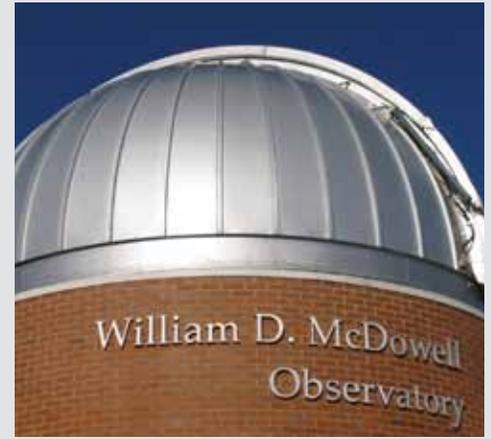
The online maps also provide information regarding owner, block and lot, easements, zoning and land use, acreage, and building footprint. Building code and tax officials use this data to produce property variance notifications to residents impacted by proposed or other possible changes to surrounding properties. Emergency responders and municipal officials are kept informed of new capabilities and upgrades to GIS programs through a continuing comprehensive training program that includes technical support and refresher seminars.

The GIS group also offers a water level alert system and flood prediction maps to first responders and the public. The email and text-based alerts for District towns are sent when water levels reach 5.5 feet above sea level and continue to be relayed as the levels rise. The interactive, web-based flood prediction maps include the parts of District municipalities that may flood from sea surge levels of 4 to 8 feet. The maps and alerts can be found at the MERI website, meri.njmeadowlands.gov.

The operating agreement between the NJSEA and Rutgers University was signed in October 2016. The partnership expands and enhances MERI's work by uniting the intellectual and technological resources of these world-class research entities and increasing access to federal and other grant funding opportunities.

CURRENT STUDIES

In 2017, MERI began a multi-year study of the amount of greenhouse gases emitted by Meadowlands wetlands, including carbon dioxide, methane and nitrous oxide, compared to the ability of the marshes to contain carbon. In 2018, MERI will start sampling carbon dioxide fluctuations in a mudflat, a low marsh and a high marsh to compare the three major habitats in terms of carbon sequestration potential. The effect of salt content in the water on carbon, methane and nitrous oxide will also be examined. ■



PARKS

The Meadowlands District boasts the premier park system in Southern Bergen County. Tens of thousands of people each year visit the District's 21 parks and eight miles of walking trails. The agency designed and created or contributed to the formation of dozens of parks and natural areas. These include Richard W. DeKorte Park in Lyndhurst, the home of the NJSEA and the jewel of the Meadowlands park network.

The park's namesake, the late State Assemblyman Richard W. DeKorte, was instrumental in the formation of the agency. The park is a favorite of Meadowlands residents, workers and visitors. It encompasses one-square-mile of wetlands, nature trails and water views framed by the New York City skyline.

Approximately 50,000 people visit DeKorte Park each year. It is an especially popular location for bird watchers. More than 285 species of birds have been sighted in the Meadowlands region, and many songbirds, raptors, shorebirds, waterfowl and more can be seen at DeKorte. The park is listed as a birding hotspot in *Birder's World* magazine, a national publication. The wide array of birds seen in the Meadowlands ranges from Bald Eagles and migratory shorebirds in the spring and summer to Rough-legged Hawks and Canvasback ducks in the winter.

The Marsh Discovery Trail, DeKorte's most popular walkway, is a half-mile boardwalk loop that extends over the park's wetlands. It includes four bird-blinds, two study docks, two shaded classrooms, two open classrooms and several seating areas. The trail provides a tranquil setting for relaxation and environmental education and an up-close vantage point for visitors to observe and photograph the Meadowlands' wildlife and natural beauty.

Additional parks in the Meadowlands District include River Barge Park and Marina in Carlstadt, the launch point for the NJSEA's popular pontoon boat tours; Losen Slote Creek Park in Little Ferry; and Laurel Hill Park and Mill Creek Point Park, both located in Secaucus. ■

SCHOOL PROGRAMS

The Meadowlands Environment Center (MEC) was formed through an agreement in 2003 between the agency and Ramapo College of New Jersey to increase awareness and enjoyment of the Meadowlands ecosystem through a comprehensive environmental education program for schools and the general public.

An experienced team of Ramapo College educators encourage the use of the environment as a classroom, increase awareness of the resources of the Meadowlands and help communities recognize critical environmental issues. Through inquiry learning and cross-curricular activities, the MEC offers hands-on educational programs for Grades K-12. They also provide life-long learning opportunities for young children, families, adults, older adults and members of the community living with disabilities.

The MEC school education program for Grades K-12 has grown exponentially since its inception. In its first year of operation, 6,000 students from 20 school districts attended MEC classes. Today, more than 20,000 students from 84 school districts in 10 counties participate in these high-demand programs each year. All school programs meet Next Generation Science Standards. Classes are held in the state-of-the-art NJSEA Center for Environmental and Scientific Education (Science Center). The NJSEA facility run by Ramapo College was built in 2008 to meet growing enrollment demands.

The Science Center includes a full chemistry lab, amphitheater-style classroom for lectures and four classrooms designed for hands-on activities including microscopy; identification of flora and fauna of the marsh; daytime astronomy; and design and construction of engineering models. The rooms are equipped with computer assisted projection to examine live and preserved specimens and assistive technology for students with special needs. Programs cover a wide array of scientific disciplines including ecology, chemistry, biology, physics, natural history and astronomy. ■

WILLIAM D. MCDOWELL OBSERVATORY

The NJSEA William D. McDowell Observatory is open to the public for free stargazing every Wednesday evening, excluding holidays. The Observatory is operated through a partnership with Bergen Community College. In 2016, more than 1,500 visitors viewed planets, constellations and other celestial bodies through the facility's state-of-the-art telescope.

The research-grade instrument has a 20-inch mirror housed beneath a six-meter retractable dome and can capture objects millions of light years away. The precision telescope is equipped with a variety of tools, including specialized cameras, light-pollution filters, and devices that measure the brightness of stars and analyze wavelengths of light. The Observatory's namesake was the first Executive Director of the Hackensack Meadowlands Development Commission (now the NJSEA), which was created in 1969. ■

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY FINANCIAL REPORT
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DECEMBER 31, 2015**

BUSINESS-TYPE OPERATIONS

Operating Revenues

Sports Complex	\$23,793,000
Solid Waste	25,008,000
Convention Center	2,583,000
Other	7,676,000
Total Revenues	\$59,060,000

Operating Expenses

Sports Complex	\$30,161,000
Solid Waste	23,728,000
Convention Center	6,038,000
Depreciation & Amortization	14,677,000
Payment In Lieu Of Taxes (PILOT)	12,159,000
Total Operating Expenses	\$86,763,000

Operating Loss (\$27,703,000)

Non-Operating Income/(Expense)

Other Income	\$32,176,000
Tourism Tax Revenue	4,052,000
Interest Expense	(40,000)
Total Non-Operating Income/(Expense)	\$36,188,000

Change in Net Position \$8,485,000

GOVERNMENTAL OPERATIONS

Operating Revenues

Solid Waste Overhead Reimbursement	\$4,688,000
Fees & Charges	1,546,000
Lease Payments	888,000
NJDOT Pulaski Project	623,000
Grants	416,000
Revenues from Composting Operation	289,000
Other	811,000
Total Revenues	\$9,261,000

Operating Expenses

Governmental Operations	\$7,054,000
Environmental Center Operations	1,148,000
Grant Expenditures	801,000
Solar Array 1-A	20,000
Other Expenditures	186,000
Total Operating Expenses	\$9,209,000

Excess of Revenues over Expenses prior to Non-Operating Costs \$52,000

Non-Operating Expenses

MAGNET Grants	\$(39,000)
Total Non-Operating Expenses	\$(39,000)

Net Excess of Revenue over Expenses \$13,000



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