

Jersey's Un-Super Bowl

The state's taxpayers got little but grief and debt out of its sports 'empire'

By Steven Malanga

In August 1971, when New York Giants owner Wellington Mara and New Jersey Gov. William Cahill introduced designs for a new football stadium to be located in what was then called the Hackensack Meadowlands, Jersey residents could only dream about a time when the Super Bowl might come to their state.

It's taken more than 40 years, but this week the National Football League's annual championship extravaganza—the country's biggest sports attraction—finally rolls into town. But Garden State residents who have paid attention to the saga of the Meadowlands Sports Complex these last four decades know that the arrival of the big game is hardly cause for celebration.

Most of the marquee events surrounding Super Bowl XLVIII are taking place in nearby New York City, and the economic impact of the week (always exaggerated by the NFL) will be so slight in Jersey that noted sports economist Andrew Zimbalist has described it as “de minimis”—that is, a trifle.

In fact, the Meadowlands Sports Complex has evolved into a drain on Jersey's resources. The complex's sports and entertainment facilities have generated few significant economic spinoffs, while the public authority created to build and manage them has been so exploited by Trenton politicians that it is now more than \$800 million in debt. New Jersey taxpayers will be paying that off for another two decades, at least.

'Most Valuable Real Estate'
It wasn't supposed to be this way. Gov. Cahill predicted that the Giants would be the cata-



MetLife Stadium in East Rutherford, N.J., on Jan. 28.

lyst for vast investment in the Meadowlands area, which he called “the most valuable piece of real estate in the world.” The first director of the New Jersey Sports and Exposition Authority (NJSEA) anticipated that the project would lure residential and commercial construction that would be the equivalent of a small city, and that some developer would also build a “Disneyland-type theme park” nearby. When all was said and done, he predicted, the Meadowlands would “rival Manhattan” as the center of the region (you can stop laughing now). And Jersey would get all this, the state estimated, for a public investment of between \$100 million and \$200 million to build the stadium and a racetrack.

The ambitious project faced an early hurdle when New York Gov. Nelson Rockefeller announced he was considering plans to build a rival sports complex in Queens, which prompted investors to balk at buying Jersey's debt. The deal only went through when New Jersey's Legislature pledged to back the bonds with its “moral authority” in case NJSEA couldn't pay them off. One irony of that move: Rockefeller and his Wall Street lawyer, John Mitchell, had created the idea of “moral obligation bonds” 15 years earlier. Now Jersey was using them against him. Even so, Moody's warned investors that with the

Legislature's pledge, Jersey was “chipping away at its own financial structure.”

Thanks to these early delays, construction costs soared. The state eventually had to borrow \$302 million for the stadium and track. This being New Jersey, the ultimate cost of building the stadium and racetrack topped out even higher, at \$342 million, while plans to add a new arena and a lavish restaurant known as Pegasus soared to nearly \$100 million—forcing even more borrowing.

In its first five years, the new complex generated enough income from the track, supplemented by modest stadium revenues, to cover its costs and its debt, while producing a \$60 million surplus. The state Legislature gladly appropriated this revenue to help balance its budget. But NJSEA's finances quickly deteriorated, thanks in part to unwise spending. Between 1981 and 1987, expenditures grew by nearly 60 percent, while revenues increased by a more modest 25 percent. Worried lawmakers told the authority to cut its budget and denied its request for \$60 million to pay off its debts.

Monkey Sink
Despite the criticism, however, in 1987 the Legislature bizarrely authorized even more debt for NJSEA to build a \$32 million aquarium in Camden. Then, four years later, the authority per-

sued the Legislature to allocate another \$190 million to construct and operate a convention center in Atlantic City. The Legislature and the authority accumulated much of this debt by circumventing voters, who back in 1987 had already grown so wary of NJSEA that they rejected plans to borrow \$183 million to build a Meadowlands baseball stadium. With that door closed, the authority turned to gimmicks like “appropriation” bonds, which are technically not paid back by taxpayers but by annual appropriations of the Legislature—and therefore don't require taxpayer approval.

As NJSEA's reach grew, governors used it as a patronage tool to reward supporters. In his autobiography, former governor James McGreevey wrote, “People weren't shy about asking for board appointments” to the sports authority, “because they offered control over tremendously potent economic engines, with discretionary budgets in the tens of millions.” Eventually, the whole financial structure collapsed. The racetrack, which once attracted an average of 16,000 patrons a day, has seen its daily attendance shrink to under 3,000. Meanwhile, Atlantic City has never developed into a significant convention destination, and its own business is shrinking rapidly as other states allow casino gambling.

The new MetLife Stadium, meanwhile—constructed by

the Jets and Giants on very generous terms offered by the state—produces much less in rent than the old Giants Stadium, which was torn down in 2010 despite its remaining \$110 million in debt. New Jersey Gov. Chris Christie has dismantled much of the NJSEA—which runs chronic deficits of \$30 million a year—by privatizing the management of certain venues. Even so, the state is responsible for some \$830 million of the authority's accumulated debt.

Garden State taxpayers got little for all this money. This Sunday, cold weather will ground the blimps that normally provide aerial coverage of major sporting events like the Super Bowl. That's too bad: a panoramic shot of the Meadowlands site would show little more than MetLife Stadium, the aging race track and arena, a hulking, half-finished, and bankrupt amusement project known as Xanadu, and swamps and warehouses. In a recent report, the Mercatus Center described New Jersey as the least solvent state in the nation. Is it any wonder why?

Steven Malanga is the senior editor of City Journal and a senior fellow at the Manhattan Institute. His latest book is “Shakedown: The Continuing Conspiracy Against the American Taxpayer.” This article originally appeared on the Manhattan Institute's City Journal magazine website.

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Nine Commentaries on the Communist Party

The 'Nine Commentaries' is the book that is disintegrating the Chinese Communist Party (CCP) and changing China. This award-winning Epoch Times editorial series discloses the true history and nature of the CCP. Now it is serialized here.

Commentary Eight (cont.) On How the Chinese Communist Party Is an Evil Cult

After the CCP seized political power, there were unceasing political campaigns, from inner-party fights to struggles outside the Party. This was the case during the Mao Zedong era, and is still the case in the post-Mao era of “reform and openness.”

In the 1980s, when people just began to have a slight bit of freedom in their thinking, the CCP launched the campaign of “Opposition to Bourgeois Liberalization” and proposed the Four Fundamental Principles in order to maintain its absolute leadership.

In 1989, the students who peacefully asked for democracy were bloodily suppressed because the CCP does not allow democratic aspirations.

The 1990s witnessed a rapid increase in Falun Gong practitioners who believe in truthfulness, compassion, and tolerance, but they were met with genocidal persecution beginning in 1999 because the CCP cannot tolerate human nature and benevolent thoughts. It must use violence to destroy people's conscience and ensure its own power.

Since the 21st century, the Internet has connected the world together, but the CCP has spent great sums of money in setting up network blockades to trap online liberals because the CCP greatly fears people freely obtaining information.

VI. The Degeneration of the Evil Cult of the CCP

The CCP evil cult essentially rules in opposition to human

nature and the principles of heaven. The CCP is known for its arrogance, self-importance, selfishness, and brutal, unrestrained acts. It consistently brings disasters to the country and the people, yet it never admits its mistakes and would never reveal its true nature to the people.

The CCP has never hesitated to change its slogans and labels, which are regarded by the CCP as the means to maintain its control. It will do anything to keep in power with total disregard for morality, justice, and human life.

The institutionalization and socialization of this evil cult are bound to lead to its collapse. As a result of the centralization of power, public opinion has been silenced, and all possible monitoring mechanisms have been destroyed, leaving no force to stop the CCP from sliding into corruption and disintegration.

Today's CCP has become the largest ruling party based on

embezzlement and corruption in the world. According to official statistics in China, among the 20 million officials, officers, or cadres in the Party or government over the past 20 years, 8 million have been found guilty of corruption and disciplined or punished based on Party or government regulations.

If the unidentified corrupt officials are also taken into account, the corrupt Party and government officials are estimated to be at over two-thirds, of whom only a small portion have been investigated and exposed.

Securing material benefits by means of corruption and extortion has become the strongest coherent force for the unity of the CCP today. The corrupt officials know that without the CCP, they would have no opportunity to connive for personal gain. If the CCP falls, they would not only lose their power and position, but would also face investigation.

In “Heaven's Wrath,” a novel that exposes the behind-the-scenes machinations of CCP officials, author Chen Fang spelled out the CCP's top secret using the mouth of Hao Xiangshou, a deputy director of a municipal CCP office: “Corruption has stabilized our political power.”

The Chinese people see it clearly: “If we fight corruption, the Party will fall; if we do not fight corruption, the nation will perish.”

The CCP, however, will not risk its own doom to fight corruption. What it will do is to kill a few corrupt individuals as a token sacrifice for the sake of its image. This prolongs its life for a few more years at the expense of a small number of corrupt elements. Today, the only goals of the CCP evil cult are to keep its power and steer clear of its demise.

i The four principles are socialist path, dictatorship of the proletariat, the CCP's leadership, and Marxism-Leninism and Mao Zedong thought.

QUITTING THE CHINESE COMMUNIST PARTY

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156,578,725 Quit
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Thousands of Chinese people are quitting the Chinese Communist Party and its affiliate organizations every day through a special website established by The Epoch Times. Others are quitting by calling an international

hotline, posting statements on public walls and poles, or writing on banknotes. Read the full “Nine Commentaries” book, as well as recent statements from Chinese people who have quit the Party:

