

P U B L I C H E A R I N G

before

SENATE STATE GOVERNMENT FEDERAL AND INTERSTATE
RELATIONS AND VETERANS' AFFAIRS COMMITTEE

on

S-1005

(South Jersey Sports and Exposition Authority Law)

Held:
June 4, 1982
Assembly Chamber
State House
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Senator Wynona M. Lipman (Chairwoman)

ALSO:

Joe Capalbo, Research Associate
Office of Legislative Services
Aide, Senate State Government Federal
and Interstate Relations and Veterans'
Affairs Committee

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SENATE, No. 1005

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 8, 1982

By Senators RAND, ZANE, DALTON and COSTELLO

Referred to Committee on State Government, Federal and
Interstate Relations and Veterans Affairs

AN ACT to provide buildings and facilities in south Jersey for horse racing and for trade shows, conventions, cultural events, and other expositions; creating the South Jersey Sports and Exposition Authority under certain circumstances and defining its powers and duties; authorizing the issuance of bonds and notes of the authority and providing for the terms and security thereof; amending P. L. 1967, c. 40; and repealing sections 1 through 12 and section 14 of P. L. 1971, c. 1 and P. L. 1978, c. 27.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. (New section) This act shall be known as, and may be cited
2 as, the "South Jersey Sports and Exposition Authority Law."

1 2. (New section) The Legislature hereby finds and declares
2 that the general welfare, health and prosperity of the people of
3 the State will be promoted by the holding of horse racing and
4 of trade shows and other expositions in south Jersey.

5 It is hereby further found and declared that additional facilities
6 are needed in the State to accommodate trade shows and other
7 expositions in order to promote industry and development in the
8 State and provide a forum for public events.

9 The Legislature further finds and declares that the location of
10 a sports and exposition complex in the south Jersey area would
11 stimulate the needed development of said area.

12 The Legislature has determined that to provide for the establish-
13 ment and operation of the needed facilities for the holding of horse

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.
Matter printed in italics *thus* is new matter.

14 racing, expositions and other public events and uses, a corporate
15 agency of the State shall be created with the necessary powers to
16 accomplish these purposes.

17 The Legislature further finds that the authority and powers
18 conferred under this act and the expenditure of public moneys
19 pursuant thereto constitutes a serving of a valid public purpose
20 and that the enactment of the provisions hereinafter set forth is
21 in the public interest and is hereby so declared to be such as a
22 matter of express legislative determination.

1 3. (New section) The following words or terms as used in this
2 act shall have the following meaning unless a different meaning
3 clearly appears from the context:

4 a. "Act" means this South Jersey Sports and Exposition
5 Authority Law.

6 b. "Authority" means the South Jersey Sports and Exposition
7 Authority created by section 4 of the act.

8 c. "Bonds" means bonds issued by the authority pursuant to
9 the act.

10 d. "South Jersey complex" means the sports and exposition
11 project authorized by section 6 of the act.

12 e. "Notes" means notes issued by the authority pursuant to
13 the act.

14 f. "Project" means the south Jersey complex.

15 g. "State" means the State of New Jersey.

16 h. "Racing Commission" means the New Jersey Racing Com-
17 mission created by P. L. 1940, c. 17 (C. 5:5-22 et seq.).

1 4. (New section) There is hereby established in the Depart-
2 ment of Community Affairs a public body corporate and politic,
3 with corporate succession, to be known as the "South Jersey Sports
4 and Exposition Authority." The authority is hereby constituted
5 as an instrumentality of the State exercising public and essential
6 governmental functions, and the exercise by the authority of the
7 powers conferred by the act shall be deemed and held to be an
8 essential governmental function of the State and the application
9 of the revenue derived from the project to the purposes provided
10 in this act shall be deemed and held to be applied in support of
11 government.

12 b. The authority shall consist of the State Treasurer, the
13 Attorney General, the Executive Director of the New Jersey Sports
14 and Exposition Authority, and the director of the board of chosen
15 freeholders of the county in which the project is to be located, all
16 of whom shall be members ex officio, and four members appointed
17 by the Governor with the advice and consent of the Senate for terms

18 of 4 years, provided that the members of the authority (other
19 than the ex officio members) first appointed by the Governor shall
20 serve for terms of 1 year, 2 years, 3 years and 4 years, respectively.
21 Each member shall hold office for the term of his appointment and
22 until his successor shall have been appointed and qualified. A mem-
23 ber shall be eligible for reappointment. Any vacancy in the mem-
23a bership occurring other than by expiration of term shall be filled
23b in the same manner as the original appointment but for the un-
23c expired term only.

24 c. Each appointed member may be removed from office by the
25 Governor, for cause, after a public hearing, and may be suspended
26 by the Governor pending the completion of such hearing. Each
27 member before entering upon his duties shall take and subscribe
28 an oath to perform the duties of his office faithfully, impartially
29 and justly to the best of his ability. A record of such oaths shall
30 be filed in the office of the Secretary of State.

31 d. The chairman shall be appointed by the Governor from the
32 members of the authority other than the ex officio members, and
33 the members of the authority shall elect one of their number as
34 vice chairman thereof. The authority shall elect a secretary and
35 a treasurer, who need not be members, and the same person may
36 be elected to serve both as secretary and treasurer. The powers
37 of the authority shall be vested in the members thereof in office
38 from time to time, and four members of the authority shall
39 constitute a quorum at any meeting thereof. Action may be
40 taken and motions and resolutions adopted by the authority at
41 any meeting thereof by the affirmative vote of at least four mem-
42 bers of the authority. No vacancy in the membership of the
43 authority shall impair the right of a quorum of the members
44 to exercise all the powers and perform all the duties of the
45 authority.

46 e. Each member and the treasurer of the authority shall execute
47 a bond to be conditioned upon the faithful performance of the
48 duties of such member or treasurer, as the case may be, in such
49 form and amount as may be prescribed by the Comptroller of the
50 Treasury. Such bonds shall be filed in the office of the Secretary
51 of State. At all times thereafter the members and treasurer of
52 the authority shall maintain such bonds in full force and effect.
53 All costs of such bonds shall be borne by the authority.

54 f. The members of the authority shall serve without compensa-
55 tion, but the authority shall reimburse its members for actual
56 expenses necessarily incurred in the discharge of their duties. Not-
57 withstanding the provisions of any other law, no officer or employee

58 of the State shall be deemed to have forfeited or shall forfeit his
 59 office or employment or any benefits or emoluments thereof by
 60 reason of his acceptance of the office of ex-officio member of the
 61 authority or his services therein.

62 g. Each ex officio member of the authority, other than the di-
 63 rector of the board of chosen freeholders, may designate an officer
 64 or employee of his department or agency to represent him at
 65 meetings of the authority; the director may designate a fellow
 66 member of the board of chosen freeholders to represent him. Each
 67 designee may lawfully vote and otherwise act on behalf of the
 68 member for whom he constitutes the designee. Any such designa-
 68A tion shall be in writing delivered to the authority and shall continue
 68B in effect until revoked or amended by writing delivered to the
 68C authority.

69 h. The authority may be dissolved by act of the Legislature on
 70 condition that the authority has no debts or obligations outstand-
 71 ing or that provision has been made for the payment or retirement
 72 of such debts or obligations. Upon any such dissolution of the
 73 authority all property, funds and assets thereof shall be vested in
 74 the State.

75 i. A true copy of the minutes of every meeting of the authority
 76 shall be forthwith delivered by and under the certification of the
 77 secretary thereof to the Governor. No action taken at such meeting
 78 by the authority shall have force or effect until 15 days after such
 79 copy of the minutes shall have been so delivered unless during
 80 such 15-day period the Governor shall approve the same, in which
 81 case such action shall become effective upon such approval. If,
 82 in said 15-day period, the Governor returns such copy of the
 83 minutes with veto of any action taken by the authority or any
 84 member thereof at such meeting, such action shall be null and
 85 void and of no effect. The powers conferred in this paragraph
 86 (i) upon the Governor shall be exercised with due regard for the
 87 rights of the holders of bonds and notes of the authority at any
 88 time outstanding, and nothing in, or done pursuant to, this para-
 89 graph (i) shall in any way limit, restrict or alter the obligation
 90 or powers of the authority or any representative or officer of the
 91 authority to carry out and perform in every detail each and every
 92 covenant, agreement or contract at any time made or entered into
 93 by or on behalf of the authority with respect to its bonds or notes
 94 or for the benefit, protection or security of the holders thereof.

1 5. (New section) Except as otherwise limited by the act, the
 2 authority shall have power:

3 a. To sue and be sued;

- 4 b. To have an official seal and alter the same at pleasure;
- 5 c. To make and alter bylaws for its organization and internal
- 6 management and for the conduct of its affairs and business;
- 7 d. To maintain an office at such place or places within the State
- 8 as it may determine;
- 9 e. To acquire, hold, use and dispose of its income, revenues,
- 10 funds and moneys;
- 11 f. To acquire, lease as lessee or lessor, rent, lease, hold, use and
- 12 dispose of real or personal property for its purposes;
- 13 g. To borrow money and to issue its negotiable bonds or notes
- 14 and to secure the same by a mortgage on its property or any part
- 15 thereof and otherwise to provide for and secure the payment
- 16 thereof and to provide for the rights of the holders thereof;
- 17 h. To make and enter into all contracts, leases, and agreements
- 18 for the use or occupancy of the project or any part thereof or which
- 19 are necessary or incidental to the performance of its duties and the
- 20 exercise of its powers under the act;
- 21 i. To make surveys, maps, plans for, and estimates of the cost of,
- 22 the project;
- 23 j. To establish, acquire, construct, lease the right to construct,
- 24 rehabilitate, repair, improve, own, operate, and maintain the proj-
- 25 ect, and let, award and enter into construction contracts, purchase
- 26 orders and other contracts with respect thereto in such manner as
- 27 the authority shall determine, subject only to the provisions of
- 28 section 21 of the act;
- 29 k. To fix and revise from time to time and charge and collect
- 30 rents, tolls, fees and charges for the use, occupancy or services of
- 31 the project or any part thereof or for admission thereto, and for
- 32 the grant of concessions therein and for things furnished or ser-
- 33 vices rendered by the authority;
- 34 l. To establish and enforce rules and regulations for the use or
- 35 operation of the project or the conduct of its activities, and pro-
- 36 vide for the policing and the security of the project;
- 37 m. To acquire in the name of the authority by purchase or other-
- 38 wise, on such terms and conditions and in such manner as it may
- 39 deem proper, or, except with respect to the State, by the exercise of
- 40 the power of eminent domain, any land and other property, includ-
- 41 ing land under water, and riparian rights, which it may determine
- 42 is reasonably necessary for the project or for the relocation or
- 43 reconstruction of any highway by the authority and any and
- 44 all rights, title and interest in such land and other property,
- 45 including public lands, reservations, highways or parkways, owned
- 46 by or in which the State or any county, city, borough, town, town-

47 ship, village, public corporation, or other political subdivision of
48 the State has any right, title or interest, or parts thereof or rights
49 therein and any fee simple absolute or any lesser interest in private
50 property, and any fee simple absolute in, easements upon or the
51 benefit of restrictions upon, abutting property to preserve and
52 protect the project;

53 u. To provide through its employees, or by the grant of one or
54 more concessions, or in part through its employees and in part by
55 grant of one or more concessions, for the furnishing of services and
56 things for the accommodation of persons admitted to or using the
57 project or any part thereof;

58 o. To hold and conduct horse race meetings for stake, purse or
59 reward and to provide and operate a pari-mutuel system of wager-
60 ing at such meetings but subject only to the provisions of section 7
61 of the act;

62 p. To acquire, construct, operate, maintain, improve and make
63 capital contributions to others for transportation and other facili-
64 ties, services and accommodations for the public using the project
65 and to lease or otherwise contract for the operation thereof;

66 q. Subject to any agreement with bondholders or noteholders, to
67 invest moneys of the authority not required for immediate use,
68 including proceeds from the sale of any bonds or notes, in such obli-
69 gations, securities and other investments as the authority shall
70 deem prudent;

71 r. To contract for and to accept any gifts or grants or loans of
72 funds or property or financial or other aid in any form from the
73 United States of America or any agency or instrumentality thereof,
74 or from the State or any agency, instrumentality or political sub-
75 division thereof or from any other source and to comply, subject to
76 the provisions of the act, with the terms and conditions thereof;

77 s. Subject to any agreements with bondholders or noteholders, to
78 purchase bonds or notes of the authority out of any funds or money
79 of the authority available therefor, and to hold, cancel or resell such
80 bonds or notes;

81 t. To appoint and employ an executive director, who shall be
82 the chief executive officer, and such additional officers, who need not
83 be members of the authority, and accountants, attorneys, financial
84 advisors or experts and all such other or different officers, agents
85 and employees as it may require, and determine their qualifications,
86 terms of office, duties and compensation, all without regard to the
87 provisions of Title 11, Civil Service, of the Revised Statutes.

88 u. To do and perform any acts and things authorized by the act
89 under, through, or by means of its officers, agents or employees or
90 by contracts with any person, firm or corporation;

91 v. To procure insurance against any losses in connection with its
92 property, operations or assets in such amounts and from such
93 insurers as it deems desirable;

94 w. To do any and all things necessary or convenient to carry out
95 its purposes and exercise the powers given and granted in the
96 act; and

97 x. To determine the location, type and character of the project
98 or any part thereof and all other matters in connection with all or
99 any part of the project, notwithstanding any land use plan, zoning
100 regulation, building code or similar regulation heretofore or here-
101 after adopted by the State, any municipality, county, public body
102 politic and corporate, or any other political subdivision of the State.

1 6. (New section) a. The authority, pursuant to the provisions
2 of the act, is hereby authorized and empowered to acquire by pur-
3 chase, establish, develop, construct, operate, maintain, repair, recon-
4 struct, restore, improve and otherwise effectuate a project to be
5 located in the south Jersey area consisting of a race track for the
6 holding of horse race meetings, and other buildings, structures,
7 facilities, properties and appurtenances incidental and necessary
8 to a complex suitable for the holding of trade shows, exhibitions,
9 spectacles, public meetings, conventions, cultural events or other
10 expositions, and such project may include driveways, roads, ap-
11 proaches, parking areas, parks, recreation areas, food vending
12 facilities, restaurants, transportation structures, systems and facili-
13 ties, and equipment, furnishings, and all other structures and
14 appurtenant facilities related to, necessary for, or complementary
15 to the purposes of the project or any facility thereof. The authority
16 shall commence construction of a convention hall no later than 2
17 years following the acquisition of a site for the project authorized
18 herein, and may construct on such site other facilities consistent
19 with the purposes for which the authority was established, in-
20 cluding, but not limited to, the construction of cultural centers.
21 As part of the project the authority is empowered to make capital
22 contributions to others for transportation and other facilities, and
23 accommodations for the public using the project. Any part of
24 the project site not occupied or to be occupied by facilities of the
25 project may be leased by the authority for purposes determined
26 by the authority to be consistent with or related to the purposes
27 of the project, including, but not limited to, hotels and other
28 accommodations for transients and other facilities related or
29 incidental to the project.

30 b. Revenues, moneys or other funds, if any, derived from the
31 operation or ownership of the south Jersey complex, including the

32 conduct of horse race meetings, shall be applied in accordance with
 33 the resolution or resolutions authorizing or relating to the issuance
 34 of bonds or notes of the authority to the following purposes and
 35 in the following order:

36 (1) The costs of operation and maintenance of the south Jersey
 37 complex and reserves therefor;

38 (2) Principal, sinking fund installments and redemption pre-
 39 miums of and interest on any bonds or notes of the authority issued
 40 for the purposes of the south Jersey complex or for the purpose of
 41 refunding the same, including reserves therefor;

42 (3) The costs of any major or extraordinary repairs, renewals
 43 or replacements with respect to the south Jersey complex or in-
 44 cidental improvements thereto not paid pursuant to paragraph (1)
 45 above, including reserves therefor;

46 (4) Payments required to be made pursuant to section 18 b.;

47 (5) Payments authorized to be made pursuant to section 18 c.;

48 (6) The balance remaining after application in accordance with
 49 the above shall be deposited in the General State Fund.

1 6A. (New section) The authority shall submit the master plan
 2 for the development of the project to the board of chosen freeholders
 3 of the county in which the project is to be located for approval prior
 4 to any implementation of the plan. The board shall, by resolution,
 5 approve or disapprove the plan within 90 days following the sub-
 6 mission. Inaction by the board shall be deemed approval.

1 7. (New section) a. The authority is hereby authorized, li-
 2 censed and empowered to apply to the Racing Commission for a
 3 permit or permits to hold and conduct, as part of the south Jersey
 4 complex, horse race meetings for stake, purse or reward, and to
 5 provide a place or places on the race meeting grounds or enclosure
 6 for wagering by patrons on the result of such horse races by the
 7 pari-mutuel system, and to receive charges and collect all revenues,
 8 receipts and other sums from the ownership and operation thereof;
 9 provided that only the authority through its employees shall con-
 10 duct such horse race meetings and wagering and the authority is
 11 expressly prohibited from placing in the control of any other per-
 12 son, firm or corporation the conduct of such horse race meetings,
 12A or wagering.

13 b. Except as otherwise provided in this section, such horse race
 14 meetings and pari-mutuel wagering shall be conducted by the
 15 authority in the manner and subject to compliance with the
 16 standards set forth in P. L. 1940, c. 17 (C. 5:5-22 et seq.) and the
 17 rules, regulations and conditions prescribed by the Racing Commis-
 18 sion thereunder for the conduct of horse race meetings and for
 19 pari-mutuel betting at such meetings.

20 c. Application for said permit or permits shall be on such forms
21 and shall include such accompanying data as the Racing Commis-
22 sion shall prescribe for other applicants. The Racing Commission
23 shall proceed to review and act on any such application within 30
24 days after its filing, and the Racing Commission is authorized in
25 its sole discretion to determine whether a permit shall be granted
26 to the authority. If, after such review, the Racing Commission acts
27 favorably on such application, a permit shall be granted to the
28 authority without any further approval and shall remain in force
29 and effect so long as any bond or notes of the authority issued for
30 the purposes of the south Jersey complex remain outstanding,
31 the provision of any other law to the contrary notwithstanding.
32 In granting a permit to the authority to conduct a horse race meet-
33 ing, the Racing Commission shall not be subject to any limitation as
34 to the number of tracks authorized for the conduct of horse race
35 meetings pursuant to any provision of P. L. 1940, c. 17 (C. 5:5-22
36 et seq.). Said permit shall set forth the dates to be allotted to the
37 authority for its initial horse race meetings. Thereafter application
38 for dates for horse race meetings by the authority and the allotment
39 thereof by the Racing Commission, including the renewal of the
40 same dates theretofore allotted, shall be governed by the applicable
41 provisions of P. L. 1940, c. 17 (C. 5:5-22 et seq.). Notwithstanding
42 the provision of any other law to the contrary, the Racing Commis-
43 sion shall allot annually to the authority, in the case of harness rac-
44 ing, not less than 100 racing days, and in the case of running racing,
45 not less than 100 racing days, if and to the extent that application
46 is made therefor.

47 d. No hearing, referendum or other election or proceeding, and
48 no payment, surety or cash bond or other deposit, shall be required
49 for the authority to hold or conduct the horse race meetings with
50 pari-mutuel wagering herein authorized.

51 e. The authority shall determine the amount of the ad-
52 mission fee for the races and all matters relating to the collection
53 thereof.

54 f. Distribution of sums deposited in pari-mutuel pools to winners
55 thereof shall be in accordance with the provisions of section 44
56 of P. L. 1940, c. 17 (C. 5:5-64) pertaining thereto. The authority
57 shall make disposition of the deposits remaining undistributed as
58 follows:

59 (1) In the case of harness races:

60 (a) Hold and set aside in an account designated as a special trust
61 account 1% of such total contributions in all pools to be used and
62 distributed as hereinafter provided and as provided in section 5 of

P. L. 1967, c. 40 (C. 5:5-88), for the following purposes and no other:

(i) 42½% thereof to increase purses and grant awards for starting horses as provided or as may be provided by rules of the New Jersey Racing Commission with payment to be made in the same manner as payment of other purses and awards;

(ii) 49% thereof for the establishment of a Sire Stakes Program for standardbred horses with payment to be made to the Department of Agriculture for administration as provided;

(iii) 5¼% thereof for contributions and awards designed to improve and promote the standardbred breeding industry in New Jersey through payment of awards to owners and breeders of New Jersey bred horses which are registered with the Standardbred Breeders' and Owners' Association of New Jersey and which earn portions of purses in open events on New Jersey tracks, and to owners of stallions posted on the official stallions roster of the Standardbred Breeders' and Owners' Association of New Jersey which sire such registered New Jersey bred money earners;

(iv) 3% thereof for other New Jersey horse breeding and promotion conducted by the New Jersey Department of Agriculture.

Payment of the sums held and set aside pursuant to subparagraphs (iii) and (iv) shall be made to the commission every seventh day of any and every race meeting in the amount then due as determined in the manner provided above, and shall be accompanied by a report under oath showing the total of all such contributions, together with such other information as the commission may require.

(b) Distribute as purse money and for programs designed to aid the horsemen and the Standardbred Breeders' and Owners' Association of New Jersey 5% of such total contribution. Expenditures for programs designed to aid the horsemen and the Standardbred Breeders' and Owners' Association of New Jersey shall not exceed 3.2% of the sum available for distribution as purse money. The formula for distribution of the purse money as either overnight purses or special stakes shall be determined by an agreement between the Standardbred Breeders' and Owners' Association of New Jersey and the authority. Notwithstanding the foregoing, for pools where the patron is required to select two or more horses, the authority shall distribute as purse money 5.5% of the total

106 contributions and for pools where the patron is required to select
 107 three or more horses, the authority shall distribute as purse money
 108 7% of the total contributions. Notwithstanding the foregoing, for
 109 pools where a patron is required to select three or more horses, the
 110 authority shall retain out of the 7% to be distributed as purse
 111 money, a sum deemed necessary by the racing commission, for use
 112 by the commission to finance a prerace blood testing program, and
 113 such other testing programs which the commission shall deem
 114 proper and necessary and which shall be subject to the regulation
 115 and control of the commission.

116 (2) In the case of running races:

117 (a) Ifold and set aside in an account designated as a special trust
 118 account 15% of 1% of such total contributions to be used and
 119 distributed as hereinafter provided and as provided in section 5
 120 of P. L. 1967, c. 40 (C. 5:5-33), for the following purposes and no
 121 other:

122 (i) 10% of 1% thereof for contributions and awards de-
 123 signed to improve and promote the thoroughbred breeding in-
 124 dustry in New Jersey through payment of awards to owners
 125 and breeders of registered New Jersey bred horses which earn
 126 portions of purses in open events on New Jersey tracks, and to
 127 owners of stallions posted on the official stallion rosters of the
 128 Thoroughbred Breeders' Association of New Jersey which sire
 129 such registered New Jersey bred money earners;

130 (ii) 5% of 1% thereof for State horse breeding and develop-
 131 ment programs, research, fairs, horse shows, youth activities,
 132 promotion and administration.

133 (b) Distribute as purse money and for programs designed to aid
 134 the horsemen and the New Jersey Horsemen's Benevolent and
 135 Protective Association 4.24% of such total contributions. Expendi-
 136 tures for programs designed to aid the horsemen and the New Jer-
 137 sey Horsemen's Benevolent and Protective Association shall not
 138 exceed 2.5% of the sum available for distribution as purse money.
 139 The formula for distribution of the purse money as either over-
 140 night purses or special stakes shall be determined by an agreement
 141 between the New Jersey Horsemen's Benevolent and Protective
 142 Association and the authority. Notwithstanding the foregoing, for
 143 pools where the patron is required to select three or more horses,
 144 the authority shall distribute as purse money 7.24% of the total
 145 contributions.

146 (c) For pools where a patron is required to select three or more
 147 horses, 50% of 1% of the total contributions shall be held and set
 148 aside in the special trust account established pursuant to section
 149 46 b. (1) (e) and 46 b. (2) (e) of P. L. 1940, c. 17 (C. 5:5-66).

150 Payment of the sums held and set aside pursuant to subpara-
 151 graphs (a) and (c) of this subsection shall be made to the commis-
 152 sion every seventh day of any and every race meeting in the amount
 153 then due as determined in the manner provided above, and shall be
 154 accompanied by a report under oath showing the total of all such
 155 contributions, together with such other information as the commis-
 156 sion may require.

157 In addition, as an initial payment to the State, an amount equal
 158 to $\frac{1}{2}$ of 1% of all pari-mutuel pools shall be deposited annually in
 159 the General State Fund. All amounts remaining in pari-mutuel
 160 pools, including the breaks, after such distribution and payments
 161 shall constitute revenues of the authority. Except as otherwise
 162 expressly provided in this section 7, the authority shall not be
 163 required to make any payments to the Racing Commission or others
 164 in connection with contributions to pari-mutuel pools.

165 g. All sums held by the authority for payment of outstanding
 166 pari-mutuel tickets not claimed by the person or persons entitled
 167 thereto within the time provided by law shall be paid to the Racing
 168 Commission upon the expiration of such time without further
 169 obligation to such ticketholder.

170 h. No admission or amusement tax, excise tax, license or horse
 171 racing fee of any kind shall be assessed or collected from the author-
 172 ity by the State of New Jersey, or by any county or municipality, or
 173 by any other body having power to assess or collect license fees, or
 174 taxes; provided that, in any case where the authority acquires a
 175 privately owned facility which has been paying a per car parking
 176 fee to the municipality in which it is located, that said fee shall
 177 continue to be paid at the fixed rate of \$0.10 per car for the first 5
 178 years but may be increased thereafter with the approval of the
 179 authority.

180 i. Any horse race meeting and the pari-mutuel system of wager-
 181 ing upon the result of horse races held at such race meeting
 182 shall not under any circumstances, if conducted as provided in
 183 the act and in conformity thereto, be held or construed to be un-
 184 lawful, other statutes of the State to the contrary notwithstanding.

185 j. Each employee of the authority engaged in the conducting of
 186 horse race meetings shall obtain the appropriate license from the
 187 Racing Commission subject to the same terms and conditions as is
 188 required of similar employees of other permit holders. The Racing
 189 Commission may suspend any member of the authority upon ap-
 190 proval of the Governor and the license of any employee of the au-
 191 thority in connection with the conducting of horse race meetings
 192 pending a hearing by the Racing Commission for any violation of
 193 the New Jersey laws regulating horse racing or any rule or regula-

tion of the commission. Such hearing shall be held and conducted in the manner provided in said laws.

8. (New section) a. If the authority shall find it necessary in connection with the undertaking of the project to change the location of any portion of any public highway or road, it may contract with any government agency, public or private corporation which may have jurisdiction over said public highway or road to cause said public highway or road to be constructed at such location as the authority shall deem most favorable. The cost of such reconstruction and any damage incurred in changing the location of any such highway shall be ascertained and paid by the authority as a part of the cost of the project. Any public highway affected by the construction of the project may be vacated or relocated by the authority in the manner now provided by law for the vacation or relocation of public roads, and any damages awarded on account thereof shall be paid by the authority as part of the cost of the project. In all undertakings authorized by this subsection the authority shall consult and obtain the approval of the New Jersey Department of Transportation.

b. In addition to the foregoing powers, the authority and its authorized agents and employees may enter upon any lands, waters and premises for the purpose of making surveys, soundings, drillings and examinations as it may deem necessary or convenient for the purposes of the act, all in accordance with due process of law, and such entry shall not be deemed a trespass nor shall an entry for such purpose be deemed an entry under any condemnation proceedings which may be then pending. The authority shall make reimbursement for any actual damages resulting to such lands, waters and premises as a result of such activities.

c. The authority shall also have power to make reasonable regulations for the installation, construction, maintenance, repair, renewal, relocation and removal of tracks, pipes, mains, conduits, cables, wires, towers, poles and other equipment and appliances (herein called "public utility facilities") of any public utility as defined in R. S. 48:2-13, in, on, along, over or under the project. Whenever the authority shall determine that it is necessary that any such public utility facilities which now are, or hereafter may be, located in, on, along, over or under the project shall be relocated in the project, or should be removed therefrom, the public utility owning or operating such facilities shall relocate or remove the same in accordance with the order of the authority; provided, however, that the cost and expenses of such relocation or removal, including the cost of installing such facilities in a new location, or

42 new locations, and the cost of any lands, or any rights or interests
 43 in lands, and any other rights, acquired to accomplish such reloca-
 44 tion or removal, shall be ascertained and paid by the authority as a
 45 part of the cost of the project. In case of any such relocation or re-
 46 moval of facilities, as aforesaid, the public utility owning or
 47 operating the same, its successors or assigns, may maintain and
 48 operate such facilities, with the necessary appurtenance, in the new
 49 location or new locations, for as long a period, and upon the same
 50 terms and conditions, as it had the right to maintain and operate
 51 such facilities in their former location or locations. In all under-
 52 takings authorized by this subsection the authority shall consult
 53 and obtain the approval of the Board of Public Utilities.

1 9. (New section) Upon the exercise of the power of eminent
 2 domain, the compensation to be paid thereunder shall be ascertained
 3 and paid in the manner provided in the "Eminent Domain Act of
 4 1971," P. L. 1971, c. 361 (C. 20:3-1 et seq.) insofar as the provisions
 5 thereof are applicable and not inconsistent with the provisions con-
 6 tained in this act. The authority may join in separate subdivisions
 7 in one petition or complaint the descriptions of any number of tracts
 8 or parcels of land or property to be condemned and the names of
 9 any number of owners and other parties who may have an interest
 10 therein and all such land or property included in said petition or
 11 complaint may be condemned in a single proceeding; provided,
 12 however, that separate awards be made for each tract or parcel of
 13 land or property; and provided further, that each of said tracts or
 14 parcels of land or property lies wholly in or has a substantial part
 15 of its value lying wholly within the same county.

16 j. Upon the filing of such petition or complaint or at any time
 17 thereafter, the authority may file with the clerk of the county in
 18 which such property is located and also with the clerk of the
 19 superior court a declaration of taking, signed by the authority
 20 declaring that possession of one or more of the tracts or parcels of
 21 land or property described in the petition or complaint is thereby
 22 being taken by and for the use of the authority. The said declara-
 23 tion of taking shall be sufficient if it sets forth (1) a description of
 24 each tract or parcel of land or property to be so taken sufficient for
 25 the identification thereof to which there shall be attached a plan or
 26 map thereof; (2) a statement of the estate or interest in the said
 27 land or property being taken; (3) a statement of the sum of money
 28 estimated by the authority by resolution to be just compensation
 29 for the taking of the estate or interest in each tract or parcel of
 30 land or property described in said declaration; and (4) that, in
 31 compliance with the provisions of the act, the authority has estab-
 32 lished and is maintaining a trust fund as hereinafter provided.

33 c. Upon the filing of the said declaration, the authority shall
34 deposit with the clerk of the superior court the amount of the
35 estimated compensation stated in said declaration. In addition to
36 the said deposits with the clerk of the superior court the authority
37 at all times shall maintain a special trust fund on deposit with a
38 bank or trust company doing business in the State in an account at
39 least equal to twice the aggregate amount deposited with the clerk
40 of the superior court as estimated compensation for all property
41 described in declarations of taking with respect to which the com-
42 pensation has not been finally determined and paid to the persons
43 entitled thereto or into court. Said trust fund shall consist of cash
44 or securities readily convertible into cash constituting legal invest-
45 ment for trust funds under the laws of the State. Said trust fund
46 shall be held solely to secure and may be applied to the payment of
47 just compensation for the land or other property described in such
48 declarations of taking. The authority shall be entitled to withdraw
49 from said trust fund from time to time so much as may then be in
50 excess of twice the aggregate of the amount deposited with the
51 clerk of the superior court as estimated compensation for all
52 property described in declarations of taking with respect to which
53 the compensation has not been finally determined and paid to the
54 persons entitled thereto or into court.

55 d. Upon the filing of the said declaration as aforesaid and
56 depositing with the clerk of the superior court the amount of the
57 estimated compensation stated in said declaration, the authority
58 without other process or proceedings, shall be entitled to the exclu-
59 sive possession and use of each tract of land or property described
60 in said declaration and may forthwith enter into and take posses-
61 sion of said land or property, it being the intent of this provision
62 that the proceedings for compensation or any other proceedings
63 relating to the taking of said land or interest therein or other
64 property shall not delay the taking of possession thereof and the
65 use thereof by the authority for the purpose or purposes for which
66 the authority is authorized by law to acquire or condemn such land
67 or other property or interest therein.

68 e. The authority shall cause notice of the filing of said declara-
69 tion and the making of said deposit to be served upon each party in
70 interest named in the petition residing in the State, either person-
71 ally or by leaving a copy thereof at his residence, if known, and
72 upon each party in interest residing out of the State, by mailing a
73 copy thereof to him at his residence, if known. In the event that the
74 residence of any such party or the name of such party is unknown,
75 such notice shall be published at least once in a newspaper published

76 or circulating in the county or counties in which the land is located.
77 Such service, mailing or publication shall be made within 10 days
78 after filing such declaration. Upon the application of any party in
79 interest and after notice to other parties in interest, including the
80 authority, any judge of the superior court assigned to sit for said
81 county may order that the money deposited with the clerk of the
82 superior court or any part thereof be paid forthwith to the person
83 or persons entitled thereto for or on account of the just compensa-
84 tion to be awarded in said proceeding; provided, that each such
85 person shall have filed with the clerk of the superior court a
86 consent in writing that, in the event the award in the condemnation
87 proceeding shall be less than the amount deposited, the court, after
88 notice as herein provided and hearing, may determine his liability,
89 if any, for the return of such difference or any part thereof and
90 enter judgment therefor. If the amount of the award as finally
91 determined shall exceed the amount so deposited, the person or
92 persons to whom the award is payable shall be entitled to recover
93 from the authority the difference between the amount of the deposit
94 and the amount of the award, with interest at the then legal rate
95 from the date of making the deposit. If the amount of the award
96 shall be less than the amount so deposited, the clerk of the superior
97 court shall return the difference between the amount of the award
98 and the deposit to the authority unless the amount of the deposit or
99 any part thereof shall have theretofore been distributed, in which
100 event the court, on petition of the authority and notice to all persons
101 interested in the award and affording them an opportunity to be
102 heard, shall enter judgment in favor of the authority for such
103 difference against the party or parties liable for the return thereof.
104 The authority shall cause notice of the date fixed for such hearing
105 to be served upon each party thereto residing in the State either
106 personally or by leaving a copy thereof at his residence, if known,
107 and upon each party residing out of the State by mailing a copy to
108 him at his residence, if known. In the event that the residence of any
109 party or the name of such party is unknown, such notice shall be
110 published at least once in a newspaper published or circulating in
111 the county or counties in which the land is located. Such service,
112 mailing or publication shall be made at least 10 days before the date
113 fixed for such hearing.
114 Whenever under the "Eminent Domain Act of 1971" the amount
115 of the award may be paid into court, payment may be made into
116 the Superior Court and may be distributed according to law. The
117 authority shall not abandon any condemnation proceeding sub-
118 sequent to the date upon which it has taken possession of the land
119 or property as herein provided.

1 10. (New section). a. The authority shall have the power and
2 is hereby authorized from time to time to issue its bonds or notes
3 in such principal amounts as in the opinion of the authority shall
4 be necessary to provide sufficient funds for any of its corporate
5 purposes, including the payment, funding or refunding of the princi-
6 pal of, or interest or redemption premiums on, any bonds or notes
7 issued by it whether the bonds or notes or interest to be funded or
8 refunded have or have not become due, the establishment or increase
9 of such reserves to secure or to pay such bonds or notes or interest
10 thereon and all other costs or expenses of the agency incident to
11 and necessary to carry out its corporate purposes and powers.

12 b. Except as may be otherwise expressly provided in the act or
13 by the authority, every issue of bonds or notes shall be general
14 obligations payable out of any revenues or funds of the authority,
15 subject only to any agreements with the holders of particular bonds
16 or notes pledging any particular revenues or funds. The authority
17 may issue such types of bonds or notes as it may determine, includ-
18 ing (without limiting the generality of the foregoing) bonds or notes
19 as to which the principal and interest are payable (1) exclusively
20 from the revenues and receipts of the part of the project financed
21 with the proceeds of such bonds or notes; (2) exclusively from the
22 revenues and receipts of certain designated parts of the project
23 whether or not the same are financed in whole or in part from the
24 proceeds of such bonds or notes; or (3) from its revenues and
25 receipts generally. Any such bonds or notes may be additionally
26 secured by a pledge of any grant, subsidy or contribution from the
27 United States of America or any agency or instrumentality thereof
28 or the State or any agency, instrumentality or political subdivision
29 thereof, or any person, firm or corporation, or a pledge of any
30 income or revenues, funds or moneys of the authority from any
31 source whatsoever.

32 c. Whether or not the bonds and notes are of such form and
33 character as to be negotiable instruments under the terms of Title
34 12A, Commercial Transactions, New Jersey Statutes, the bonds and
35 notes are hereby made negotiable instruments within the meaning
36 of and for all the purposes of said Title 12A, subject only to the
37 provisions of the bonds and notes for registration.

38 d. Bonds or notes of the authority shall be authorized by a resolu-
39 tion or resolutions of the authority and may be issued in one or
40 more series and shall bear such date, or dates, mature at such time
41 or times, bear interest at such rate or rates of interest per annum,
42 be in such denomination or denominations, be in such form, either
43 coupon or registered, carry such conversion or registration priv-

44 illeges, have such rank or priority, be executed in such manner,
 45 be payable from such sources in such medium of payment at such
 46 place or places within or without the State, and be subject to such
 47 terms of redemption (with or without premium) as such resolution
 48 or resolutions may provide.

49 e. Bonds or notes of the authority may be sold at public or private
 50 sale at such price or prices and in such manner as the authority
 51 shall determine. Every bond shall mature and be paid not later than
 52 40 years from the date thereof.

53 f. Bonds or notes may be issued under the provisions of the act
 54 without obtaining the consent of any department, division, com-
 55 mission, board, bureau or agency of the State, and without any
 56 other proceeding or the happening of any other conditions or other
 57 things than those proceedings, conditions or things which are
 58 specifically required by the act.

59 g. Bonds and notes of the authority issued under the provisions
 60 of the act shall not be in any way a debt or liability of the State or
 61 of any political subdivision thereof other than the authority and
 62 shall not create or constitute any indebtedness, liability or obliga-
 63 tion of the State or of any such political subdivision or be or con-
 64 stitute a pledge of the faith and credit of the State or of any such
 65 political subdivision but all such bonds and notes, unless funded or
 66 refunded by bonds or notes of the authority, shall be payable solely
 67 from revenues or funds pledged or available for their payment as
 68 authorized in the act. Each bond and note shall contain on its face
 69 a statement to the effect that the authority is obligated to pay the
 70 principal thereof or the interest thereon only from revenues or
 71 funds of the authority and that neither the State nor any political
 72 subdivision thereof is obligated to pay such principal or interest
 73 and that neither the faith and credit nor the taxing power of the
 74 State or any political subdivision thereof is pledged to the payment
 75 of the principal of or the interest on such bonds or notes.

76 h. All expenses incurred in carrying out the provisions of the act
 77 shall be payable solely from revenues or funds provided or to be
 78 provided under the provisions of the act and nothing in the act
 79 shall be construed to authorize the authority to incur any indebt-
 80 edness or liability on behalf of or payable by the State or any
 81 political subdivision thereof.

1 11. (New section) In any resolution of the authority authorizing
 2 or relating to the issuance of any bonds or notes, the authority,
 3 in order to secure the payment of such bonds or notes and in addi-
 4 tion to its other powers, shall have power by provisions therein
 5 which shall constitute covenants by the authority and contracts
 6 with the holders of such bonds or notes:

- 7 a. To pledge all or any part of its rents, fees, tolls, revenues or
8 receipts to which its right then exists or may thereafter come into
9 existence, and the moneys derived therefrom, and the proceeds of
10 any bonds or notes;
- 11 b. To pledge any lease or other agreement or the rents or other
12 revenues thereunder and the proceeds thereof;
- 13 c. To mortgage all or any part of its property, real or personal,
14 then owned or thereafter to be acquired;
- 15 d. To covenant against pledging all or any part of its rents, fees,
16 tolls, revenues or receipts or its leases or agreements or rents or
17 other revenues thereunder or the proceeds thereof, or against
18 mortgaging all or any part of its real or personal property then
19 owned or thereafter acquired, or against permitting or suffering
20 any lien on any of the foregoing;
- 21 e. To covenant with respect to limitations on any right to sell,
22 lease or otherwise dispose of any project or any part thereof or any
23 property of any kind;
- 24 f. To covenant as to any bonds and notes to be issued and the
25 limitations thereon and the terms and conditions thereof and as to
26 the custody, application, investment, and disposition of the proceeds
27 thereof;
- 28 g. To covenant as to the issuance of additional bonds or notes
29 or as to limitations on the issuance of additional bonds or notes
30 and on the incurring or other debts by it;
- 31 h. To covenant as to the payment of the principal of or interest
32 on the bonds or notes, or any other obligations, as to the sources
33 and methods of such payment, as to the rank on priority of any
34 such bonds, notes or obligations with respect to any lien or security
35 or as to the acceleration of the maturity of any such bonds, notes or
36 obligations;
- 37 i. To provide for the replacement of lost, stolen, destroyed or
38 mutilated bonds or notes;
- 39 j. To covenant against extending the time for the payment of
40 bonds or notes or interest thereon;
- 41 k. To covenant as to the redemption of bonds or notes and
42 privileges of exchange thereof for other bonds or notes of the
43 authority;
- 44 l. To covenant as to the rates of toll and other charges to be
45 established and charged, the amount to be raised each year or other
46 period of time by tolls or other revenues and as to the use and
47 disposition to be made thereof;
- 48 m. To covenant to create or authorize the creation of special
49 funds or moneys to be held in pledge or otherwise for construction,

50 operating expenses, payment or redemption of bonds or notes,
51 reserves or other purposes and as to the use, investment, and
52 disposition of the moneys held in such funds;

53 n. To establish the procedure, if any, by which the terms of any
54 contract or covenant with or for the benefit of the holders of bonds
55 or notes may be amended or abrogated, the amount of bonds or
56 notes the holders of which shall consent thereto, and the manner
57 in which such consent may be given;

58 o. To covenant as to the construction, improvement, operation or
59 maintenance of its real and personal property, the replacement
60 thereof, the insurance to be carried thereon, and the use and dis-
61 position of insurance moneys;

62 p. To provide for the release of property, leases or other agree-
63 ments, or revenues and receipts from any pledge or mortgage and
64 to reserve rights and powers in, or the right to dispose of, property
65 which is subject to a pledge or mortgage;

66 q. To provide for the rights and liabilities, powers and duties
67 arising upon the breach of any covenant, condition or obligation
68 and to prescribe the events of default and the terms and conditions
69 upon which any or all of the bonds, notes or other obligations of the
70 authority shall become or may be declared due and payable before
71 maturity and the terms and conditions upon which any such
72 declaration and its consequences may be waived;

73 r. To vest in a trustee or trustees within or without the State
74 such property, rights, powers and duties in trust as the authority
75 may determine, including the right to foreclose any mortgage, and
76 to limit the rights, duties and powers of such trustee;

77 s. To execute all mortgages, bills of sale, conveyances, deeds of
78 trust and other instruments necessary or convenient in the exercise
79 of its powers or in the performance of its covenants or duties;

80 t. To pay the costs or expenses incident to the enforcement of
81 such bonds or notes or of the provisions of such resolution or of any
82 covenant or agreement of the authority with the holders of its bonds
83 or notes;

84 u. To limit the powers of the authority to construct, acquire or
85 operate any structures, facilities or properties which may compete
86 or tend to compete with the project;

87 v. To limit the rights of the holders of any bonds or notes to
88 enforce any pledge or covenant securing bonds or notes; and

89 w. To make covenants other than in addition to the covenants
90 herein expressly authorized, of like or different character, and to
91 make such covenants to do or refrain from doing such acts and
92 things as may be necessary, or convenient and desirable, in order

93 to better secure bonds or notes or which, in the absolute discretion
94 of the authority, will tend to make bonds or notes more marketable,
95 notwithstanding that such covenants, acts or things may not be
96 enumerated herein.

1 12. (New section) Any pledge of revenues, moneys, funds or
2 other property made by the authority shall be valid and binding
3 from the time when the pledge is made; the revenues, moneys, funds
4 or other property so pledged and thereafter received by the au-
5 thority shall immediately be subject to the lien of such pledge with-
6 out any physical delivery thereof or further act, and the lien of
7 any such pledge shall be valid and binding as against all parties
8 having claims of any kind in tort, contract or otherwise against
9 the authority, irrespective of whether such parties have notice
10 thereof. Neither the resolution nor any other instrument by which
11 a pledge of revenues, moneys or funds is created need be filed or
12 recorded except in the records of the authority.

1 13. (New section) Neither the members of the authority nor
2 any person executing bonds or notes issued pursuant to this act
3 shall be liable personally on such bonds or notes by reason of the
4 issuance thereof.

1 14. (New section) a. The authority may establish such reserves,
2 funds or accounts as may be, in its discretion, necessary or desir-
3 able to further the accomplishment of the purposes of the authority
4 or to comply with the provisions of any agreement made by or
5 any resolution of the authority.

6 b. The authority may create and establish a reserve fund in
7 connection with the issuance of bonds to finance the initial project
8 to be known as the debt service reserve fund and may pay into
9 such reserve fund (1) any moneys appropriated and made available
10 by the State for the purposes of such fund, (2) any proceeds of sale
11 of such bonds to the extent provided in the resolution of the
12 authority authorizing the issuance thereof, and (3) any other
13 moneys which may be made available to the authority for the
14 purposes of such fund from any other source or sources. The
15 moneys held in or credited to the debt service reserve fund estab-
16 lished under this section, except as hereinafter provided, shall be
17 used solely for the payment of the principal of such bonds of the
18 authority secured by such reserve fund, as the same mature or
19 become due, the purchase or retirement of such bonds, the payment
20 of interest on such bonds or the payment of any redemption
21 premium required to be paid when such bonds are redeemed prior
22 to maturity; provided, however, that moneys in such fund shall not
23 be withdrawn therefrom at any time in such amount as would

24 reduce the amount of such fund to less than the maximum debt
25 service reserve (as hereinafter defined) with respect to such bonds
26 then outstanding and secured by such reserve fund, except for the
27 purpose of paying the principal of, interest on, the premium, if any,
28 on, and the retirement of, such bonds secured by such reserve fund
29 maturing or becoming due and for the payment of which other
30 moneys of the authority are not available. Maximum debt
31 service reserve as used in this section shall mean, as of any date
32 of calculation and with respect to such bonds secured by the debt
33 terms of any contracts of the authority with the holders of such
34 bonds to be provided in any succeeding calendar year for the
35 payment of interest on and serial maturities of such bonds then
36 outstanding and payments required by the terms of any such
37 contracts to be made to sinking funds established for the payment
38 or redemption of such bonds, calculated on the assumption that
39 such bonds will cease to be outstanding after the date of such
40 calculation only by reason of the payment of such bonds at their
41 respective maturities and the making of required payments to
42 sinking funds and the application thereof in accordance with the
43 terms of such contracts to the retirement of such bonds. Any
44 income or interest earned by, or increment to, the debt service
45 reserve fund due to the investment thereof may be transferred to
46 any other fund or account of the authority to the extent it does not
47 reduce the amount of such debt service reserve fund below the
48 maximum debt service reserve with respect to such bonds of the
49 authority then outstanding and secured by such reserve fund.

50 c. The authority shall not issue bonds at any time if the maximum
51 debt service reserve with respect to such bonds outstanding and
52 then to be issued and secured by the debt service reserve fund
53 will exceed the amount of such reserve fund at the time of issuance,
54 unless the authority, at the time of issuance of such bonds, shall
55 deposit in such reserve fund from the proceeds of such bonds so
56 to be issued, or otherwise, an amount which, together with the
57 amount then in such reserve fund, will be not less than the maximum
58 debt service reserve with respect to such bonds then to be issued
59 and on all other bonds of the authority then outstanding and
60 secured by such reserve fund.

61 d. To assure the continued operation and solvency of the
62 authority for the carrying out of the public purposes of the act,
63 provision is made hereinabove in this section for the accumulation
64 in the debt service reserve fund of an amount equal to the maximum
65 debt service reserve with respect to all bonds of the authority
66 then outstanding and secured by such reserve fund.

67 e. In computing the debt service reserve fund for the purposes
 68 of this section, securities in which all or a portion of such debt
 69 service reserve fund shall be invested, shall be valued at par, or
 70 if purchased at less than par, at their cost to the authority.

71 f. Nothing herein contained shall be deemed to cause the bonds
 72 or notes of the authority to be in any way a debt or a liability of
 73 the State or any political subdivision thereof other than the
 74 authority, and the bonds and notes of the authority, whether or
 75 not payable from the debt service reserve fund created and estab-
 76 lished pursuant to this section, shall not create or constitute any
 77 indebtedness, liability or obligation of the State or any such
 78 political subdivision or be or constitute a pledge of the faith and
 79 credit of the State or of any such political subdivision.

80 g. For purposes of this section, initial project shall mean the
 81 initial development of the south Jersey complex on the site of the
 82 Garden State Racetrack in Cherry Hill township or on a site of
 83 equivalent acreage in the south Jersey counties of Gloucester, Burl-
 84 ington, Salem, Cumberland, or Camden, as determined by the
 85 authority, and shall consist of (1) a racetrack and related facilities
 86 for both thoroughbred and harness horse racing, (2) a convention
 87 hall, and (3) roadways, parking and other support facilities there-
 88 for, and environmental facilities in connection therewith, together
 89 with all land and rights in land, structures and improvements, and
 90 other facilities and appurtenances related thereto.

1 15. (New section) a. The State of New Jersey does hereby
 2 pledge to and covenant and agree with the holders of any bonds
 3 or notes issued pursuant to authority of the act that the State will
 4 not limit or alter the rights or powers hereby vested in the author-
 5 ity to acquire, construct, maintain, improve, repair and operate
 6 the project in any way that would jeopardize the interest of such
 7 holders, or to perform and fulfill the terms of any agreement made
 8 with the holders of such bonds or notes, or to fix, establish, charge
 9 and collect such rents, fees, rates or other charges as may be con-
 10 venient or necessary to produce sufficient revenues to meet all ex-
 11 penses of the authority and fulfill the terms of any agreement
 12 made with the holders of such bonds and notes, together with in-
 13 terest thereon, with interest on any unpaid installments of interest,
 14 and all costs and expenses in connection with any action or proceed-
 15 ings by or on behalf of such holders, until the bonds, together with
 16 interest thereon, are fully met and discharged or provided for.

17 b. The State shall have the right, upon furnishing the authority
 18 with sufficient funds therefor, to require the authority to redeem,
 19 pay or cause to be paid, at or prior to maturity, in whole or in

20 part, any bonds issued by the authority under the act; provided
21 that such redemption or payment shall be made in accordance
22 with the provision of any contract entered into by the authority
23 with the holders of such bonds.

1 16. (New section) The State and all public officers, governmental
2 units and agencies thereof, all banks, trust companies, savings
3 banks and institutions, building and loan associations, savings
4 and loan associations, investment companies, and other persons
5 carrying on a banking business, all insurance companies, insurance
6 associations and other persons carrying on an insurance business,
7 and all executors, administrators, guardians, trustee and other
8 fiduciaries, may legally invest any sinking funds, moneys or other
9 funds belonging to them or within their control in any bonds or
10 notes issued pursuant to the act, and such bonds or notes shall be
11 authorized security for any and all public deposits.

1 17. (New section) All counties and municipalities and other
2 governmental subdivisions, all authorities, and all public depart-
3 ments, agencies and commissions of the State, notwithstanding any
4 contrary provision of law, are hereby authorized and empowered
5 to lease, lend, grant or convey to the authority at its request upon
6 such terms and conditions as the governing body or other proper
7 authorities of such counties, municipalities and governmental sub-
8 divisions, authorities and departments, agencies or commissions of
9 the State may deem reasonable and fair and without the necessity
10 for any advertisement, order of court or other action or formality,
11 other than the authorizing ordinance of the governing body of the
12 municipality, the authorizing resolution of the governing body of
13 the county, or the regular and formal action of any public body
14 concerned, any real property or interest therein which may be nec-
15 essary or convenient to the effectuation of the purposes of the
16 authority, including public highways and other real property al-
17 ready devoted to public use, provided that such real property is
18 located within the site authorized for the project.

1 18. (New section) a. All projects and other property of the
2 authority are hereby declared to be public property devoted
3 to an essential public and governmental function and purpose
4 and shall be exempt from all taxes and special assessments of the
5 State or any political subdivision thereof; provided, however,
6 that when any part of the project site not occupied or to be occupied
7 by facilities of the project is leased by the authority to another
8 whose property is not exempt and the leasing of which does not
9 make the real estate taxable, the estate created by the lease and
10 the appurtenances thereto shall be listed as the property of the les-

11 see thereof, or his assignee, and be assessed and taxed as real estate.
12 All bonds or notes issued pursuant to the act are hereby declared
13 to be issued by a body corporate and public of the State and for an
14 essential public and governmental purpose and such bonds and
15 notes, and the interest thereon and the income therefrom, and all
16 funds, revenues, income and other moneys received or to be received
17 by the authority and pledged or available to pay or secure the pay-
18 ment of such bonds or notes, or interest thereon, shall at all times
19 be exempt from taxation except for transfer, inheritance and estate
19A taxes.

20 b. To the end that there does not occur an undue loss of future
21 tax revenues by reason of the acquisition of real property by the
22 authority or construction of additional projects by the authority
23 for the south Jersey complex, the authority annually shall make
24 payments in-lieu-of taxes to the taxing jurisdiction in which such
25 property is located in an amount computed in each year with
26 respect to each such taxing jurisdiction in an amount equal to the
27 taxes which would have been assessed against the property acquired
28 by the authority if such property were not exempt. Such payments
29 shall be made in each year commencing with the first year sub-
30 sequent to the year in which such real property shall have been
31 converted from a taxable to an exempt status by reason of
32 acquisition thereof by the authority.

33 c. The authority is further authorized and empowered to enter
34 into any agreement or agreements with any county or munici-
35 pality located in whole or part within the south Jersey area
36 whereby the authority will undertake to pay any additional
37 amounts to compensate for any loss of tax revenues by reason
38 of the acquisition of any real property by the authority for the
39 south Jersey complex or to pay amounts to be used by such county
40 or municipality in furtherance of the development of the south
41 Jersey complex. Every such county and municipality is authorized
42 and empowered to enter into such agreements with the authority
43 and to accept payments which the authority makes thereunder.

1 19. (New section) On or before the last day of February in
2 each year the authority shall make an annual report of its activi-
3 ties for the preceding calendar year to the Governor and to the
4 Legislature. Each such report shall set forth a complete operating
5 and financial statement covering its operations during the year.
6 The authority shall cause an audit of its books and accounts to be
7 made at least once in each year by certified public accountants and
8 the cost thereof shall be considered an expense of the authority
9 and a copy thereof shall be filed with the Comptroller of the
10 Treasury.

1 20. (New section) All officers, departments, boards, agencies,
2 divisions and commissions of the State are hereby authorized and
3 empowered to render any and all of such services to the authority as
4 may be within the area of their respective governmental functions
5 as fixed or established by law, and as may be requested by the
6 authority. The cost and expense of any such services shall be met
7 and provided for by the authority.

1 21. (New section) The authority, in the exercise of its author-
2 ity to make and enter into contracts and agreements necessary or
3 incidental to the performance of its duties and the execution of its
4 powers, shall adopt standing rules and procedures providing that,
5 except as hereinafter provided, no contract on behalf of the au-
6 thority shall be entered into for the doing of any work, or for the
7 hiring of equipment or vehicles, where the sum to be expended
8 exceeds the sum of \$2,500.00 unless the authority shall first publicly
9 advertise for bids therefor, and shall award the contract to the
10 lowest responsible bidder; provided, however, that such advertis-
11 ing shall not be required where the contract to be entered into is
12 one for the furnishing or performing services of a professional
13 nature or for the supplying of any product or the rendering of any
14 service by a public utility subject to the jurisdiction of the Board
15 of Public Utilities and tariffs and schedules of the charges, made,
16 charged, or exacted by the public utility for any such products to
17 be supplied or services to be rendered are filed with said commis-
18 sion. This section shall not prevent the authority from having any
19 work done by its own employees, nor shall it apply to repairs, or to
20 the furnishing of materials, supplies or labor, or the hiring of
21 equipment or vehicles, when the safety or protection of its or other
22 public property, or the public convenience require, or the exigency
23 of the authority's service will not admit of such advertisement.
24 In such case the authority shall, by resolution passed by the
25 affirmative vote of a majority of its members, declare the exigency
26 or emergency to exist, and set forth in the resolution the nature
27 thereof and the approximate amount to be so expended.

1 22. (New section) It is the express intent of the Legislature
2 that the authority in undertaking the south Jersey complex shall
3 consult with the Department of Environmental Protection with
4 respect to the ecological factors constituting the environment of
5 the area.

1 23. (New section) It is the intent of the Legislature that in
2 the event of any conflict or inconsistency in the provisions of the
3 act and any other acts pertaining to matters herein established
4 or provided for or in any rules and regulations adopted under the

69 for programs designed to aid the horsemen and the Standardbred
 70 Breeders' and Owners' Association of New Jersey shall not exceed
 71 3.2% of the sum available for distribution as purse money. The
 72 formula for distribution of the purse money as either overnight
 73 purses or special stakes shall be determined by an agreement be-
 74 tween the Standardbred Breeders' and Owners' Association of New
 75 Jersey and the permitholder. Notwithstanding the foregoing, for
 76 pools where the patron is required to select two or more horses,
 77 the permitholder shall distribute as purse money 5.5% of the total
 78 contributions and for pools where the patron is required to select
 79 three or more horses, the permitholder shall distribute as purse
 80 money 7% of the total contributions. Notwithstanding the forego-
 81 ing, for pools where a patron is required to select three or more
 82 horses, the permitholder shall retain out of the 7% to be distributed
 83 as purse money, a sum deemed necessary by the racing commission,
 84 for use by the commission to finance a prerace blood testing pro-
 85 gram, and such other testing programs which the commission shall
 86 deem proper and necessary and which shall be subject to the regu-
 87 lation and control of the commission.

88 (2) In the case of running races:

89 (a) Hold and set aside in an account designated as a special trust
 90 account 15% of 1% of such total contributions to be used and dis-
 91 tributed as hereinafter provided and as provided in section 5 of
 92 P. L. 1967, c. 40 (C. 5:5-88), for the following purposes and no
 93 other:

94 (i) 10% of 1% thereof for contributions and awards designed
 95 to improve and promote the thoroughbred breeding industry
 96 in New Jersey through payment of awards to owners and
 97 breeders of registered New Jersey bred horses which earn por-
 98 tions of purses in open events on New Jersey tracks, and to
 99 owners of stallions posted on the official stallion rosters of the
 100 Thoroughbred Breeders' Association of New Jersey which sire
 101 such registered New Jersey bred money earners;

102 (ii) 5% of 1% thereof for State horse breeding and develop-
 103 ment programs, research, fairs, horse shows, youth activities,
 104 promotion and administration.

105 (b) Distribute as purse money and for programs designed to aid
 106 the horsemen and the New Jersey Horsemen's Benevolent and
 107 Protective Association 4.24% of such total contributions. Expendi-
 108 tures for programs designed to aid the horsemen and the New
 109 Jersey Horsemen's Benevolent and Protective Association shall not
 110 exceed 2.5% of the sum available for distribution as purse money.
 111 The formula for distribution of the purse money as either over-

112 night purses or special stakes shall be determined by an agreement
 113 between the New Jersey Horsemen's Benevolent and Protective
 114 Association and the permitholder. Notwithstanding the foregoing,
 115 for pools where the patron is required to select three or more horses,
 116 the permitholder shall distribute as purse money 7.24% of the total
 117 contributions.

118 (c) For pools where a patron is required to select three or more
 119 horses, 50% of 1% of the total contributions shall be held and set
 120 aside in the special trust account established pursuant to section
 121 46 b. (1) (e) and 46 b. (2) (e) of P. L. 1940, c. 17 (C. 5:5-66).

122 Payment of the sums held and set aside pursuant to subpara-
 123 graphs (a) and (c) of this subsection shall be made to the commis-
 124 sion every seventh day of any and every race meeting in the amount
 125 then due as determined in the manner provided above, and shall be
 126 accompanied by a report under oath showing the total of all such
 127 contributions, together with such other information as the commis-
 128 sion may require.

129 In addition to the amounts above an amount equal to $\frac{1}{2}$ of 1%
 130 of all pari-mutuel pools shall be deposited annually in the General
 131 State Fund. All amounts remaining in pari-mutuel pools, including
 132 the breaks, after the distribution and payments required by this
 133 subsection shall constitute revenues of the permitholder. Except
 134 as otherwise provided in this subsection, the permitholder shall not
 135 be required to make any payments to the commission or others in
 136 connection with contributions to pari-mutuel pools.

137 d. Except as otherwise provided in this section, the horse race
 138 meetings and pari-mutuel wagering conducted by the permitholder
 139 shall be conducted in the manner and subject to compliance with
 140 the standards set forth in P. L. 1940, c. 17 (C. 5:5-22 et seq.) and
 141 the rules, regulations, and conditions prescribed by the racing
 142 commission thereunder for the conduct of horse race meetings and
 143 for pari-mutuel wagering at those meetings.

1 27. Section 5 of P. L. 1967, c. 40 (C. 5:5-88) is amended to read
 2 as follows:

3 5. Every permitholder shall remit and pay to the commission
 4 in installments and at the same time and manner provided in sec-
 5 tion 46 of P. L. 1940, c. 17 all moneys set aside in the special trust
 6 account for contributions and awards and horse breeding and pro-
 7 motion pursuant to section 46 a. (2) (c) and (d) thereof, section
 8 46 b. (1) (b) and (2) (b) thereof, ~~and~~ subsection f. (1) (a) (iii)
 9 and (iv) and subsection f. (2) (a) of section 7 of P. L. 1971, c. 137
 10 (C. 5:10-7), ~~and subsection f. (1) (a) (iii) and (iv) and subsection~~
 11 ~~f. (2) (a) of section 7 or subsection c. (1) (a) (iii) and (iv) and~~
 12 ~~subsection c. (2) (a) of section 26, as the case may be, of P. L.~~

5 act or said other acts, to the extent of such conflict or inconsistency,
 6 the provisions of the act and the rules and regulations adopted
 7 thereunder shall be enforced and the provisions of such other acts
 8 and rules and regulations adopted thereunder shall be of no force
 9 and effect.

1 24. (New section) If any clause, sentence, paragraph, section
 2 or part of the act shall be adjudged by any court of competent
 3 jurisdiction to be invalid, such judgment shall not affect, impair
 4 or invalidate the remainder thereof, but shall be confined in its
 5 operation to the clause, sentence, paragraph, section or part thereof
 6 directly involved in the controversy in which such judgment shall
 7 have been rendered.

1 25. (New section) The act shall be construed liberally to ef-
 2 fectuate the legislative intent and purposes of the act as complete
 3 and independent authority for the performance of each and every
 4 act and thing herein authorized and all powers herein granted shall
 5 be broadly interpreted to effectuate such intent and purposes and
 6 not as a limitation of powers.

1 26. (New section) a. Notwithstanding the foregoing provisions of
 2 this act, a private buyer may purchase the Garden State Racetrack
 3 and may apply to the racing commission for a racing permit or
 4 permits, provided the purchase and application are made no later
 5 than 6 months following enactment of this act. The commission
 6 shall review and act on an application within 30 days after its filing
 7 and is authorized in its sole discretion to determine whether a per-
 8 mit shall be granted to the applicant. If, after the review, the
 9 commission acts favorably on the application, a permit shall be
 10 granted to the applicant without any further approval. No hear-
 11 ing, referendum, or other election or proceeding shall be required
 12 for the private buyer to hold or conduct the horse race meetings
 13 with pari-mutuel wagering herein authorized.

14 b. In granting a permit to the applicant to conduct a horse race
 15 meeting, the commission shall not be subject to any limitation as
 16 to the number of tracks authorized for the conduct of horse race
 17 meetings pursuant to any provision of P. L. 1940, c. 17 (C. 5:5-22
 18 et seq.). The permit shall set forth the dates to be allotted to the
 19 applicant for its initial horse race meetings. Thereafter applica-
 20 tion for dates for horse race meetings by the permitholder and the
 21 allotment thereof by the commission, including the renewal of the
 22 same dates theretofore allotted, shall be governed by the applica-
 23 ble provisions of P. L. 1940, c. 27 (C. 5:5-22 et seq.). Notwithstand-
 24 ing the provision of any other law to the contrary, the commission
 25 shall allot annually to the permitholder, in the case of harness

26 racing, not less than 100 racing days, and in the case of running
 27 racing, not less than 100 racing days, if and to the extent that
 28 application is made therefor.

29 c. The permitholder shall distribute the sums deposited in pari-
 30 mutuel pools to winners thereof in accordance with section 44 of
 31 P. L. 1940, c. 17 (C. 5:5-64) and shall dispose of the deposits re-
 32 maining undistributed as follows:

33 (1) In the case of harness races:

34 (a) Hold and set aside in an account designated as a special trust
 35 account 1% of such total contributions in all pools to be used and
 36 distributed as hereinafter provided and as provided in section 5 of
 37 P. L. 1967, c. 40 (C. 5:5-88), for the following purposes and no
 38 other:

39 (i) 42½% thereof to increase purses and grant awards for
 40 starting horses as provided or as may be provided by rules of
 41 the New Jersey Racing Commission with payment to be made
 42 in the same manner as payment of other purses and awards;

43 (ii) 49% thereof for the establishment of a Sire Stakes Pro-
 44 gram for standardbred horses with payment to be made to the
 45 Department of Agriculture for administration as provided;

46 (iii) 5½% thereof for contributions and awards designed
 47 to improve and promote the standardbred breeding industry in
 48 New Jersey through payment of awards to owners and
 49 breeders of New Jersey bred horses which are registered with
 50 the Standardbred Breeders' and Owners' Association of New
 51 Jersey and which earn portions of purses in open events on
 52 New Jersey tracks, and to owners of stallions posted on the
 53 official stallions roster of the Standardbred Breeders' and
 54 Owners' Association of New Jersey which sire such registered
 55 New Jersey bred money earners;

56 (iv) 3% thereof for other New Jersey horse breeding and
 57 promotion conducted by the New Jersey Department of Agri-
 58 culture.

59 Payment of the sums held and set aside pursuant to subpara-
 60 graphs (iii) and (iv) shall be made to the commission every seventh
 61 day of any and every race meeting in the amount then due as
 62 determined in the manner provided above, and shall be accompanied
 63 by a report under oath showing the total of all such contributions,
 64 together with such other information as the commission may
 65 require.

66 (b) Distribute as purse money and for programs designed to aid
 67 the horsemen and the Standardbred Breeders' and Owners' Asso-
 68 ciation of New Jersey 5% of such total contribution. Expenditures

13 c. (C.) (now pending before the Legislature as Senate
 14 Bill No. of 1982). All such special trust account moneys
 15 received by the commission shall be separately accounted for and
 16 paid into the State Treasury for deposit and maintenance by the
 17 State Treasurer in a special account entitled "New Jersey Horse
 18 Breeding and Development Account." Moneys credited to such
 19 special account shall be appropriated to and used by the Depart-
 20 ment of Agriculture, under the supervision of the State Board of
 21 Agriculture after consultation with and approval of the State
 22 Treasurer, for contributions and awards to improve and promote
 23 thoroughbred and standardbred breeding in the manner and amount
 24 as provided in said sections.

25 The Department of Agriculture is authorized to confer with and
 26 seek the advice of the New Jersey Equine Advisory Board with
 27 reference to the distribution of the moneys as herein provided.

1 28. Sections 1 through 12 and section 14 of P. L. 1978, c. 1
 2 (C. 5:10-27 through C. 5:10-38), and P. L. 1978, c. 27 are repealed.

1 29. This act shall take effect immediately, except sections 1
 2 through 25 shall take effect 6 months following enactment of this
 3 act, provided on that date, no private buyer has purchased the
 4 Garden State Racetrack and has been granted a permit to conduct
 5 horse race meetings at that racetrack.

STATEMENT

This bill provides for the creation of the South Jersey Sports
 and Exposition Authority if the Garden State Race Track is not
 purchased by a private buyer.

SENATOR WYNONA M. LIPMAN (Chairwoman): Good morning ladies and gentlemen, we're going to begin today, we're running a few minutes late, and Senator Walter Rand, the sponsor of S-1005, is going to help me preside at this hearing. My name is Senator Wynona Lipman. I represent the 29th Legislative District.

Senate Bill 1005 was introduced by Senator Walter Rand. It establishes a South Jersey Sports and Exposition Authority. The Authority shall consist of eight members, including the State Treasurer, the Attorney General, the Executive Director of the New Jersey Sports and Exposition Authority and the director of the board of chosen freeholders of the county in which the project is to be located, all of whom shall be members ex officio, and four members appointed by the Governor with the advice and consent of the Senate for terms of four years. The chairman shall be appointed by the Governor from among the non-ex officio members. Authority members shall serve without compensation and authority minutes may be vetoed by the Governor.

The authority is authorized and empowered to acquire, develop and operate a project located on the site of the Garden State Racetrack in Cherry Hill Township or on a site of equivalent acreage in the South Jersey counties of Gloucester, Burlington, Salem, Cumberland or Camden. The project shall consist of:

- (1) a racetrack; (2) a complex suitable for holding trade shows and conventions; and (3) roadways, parking and other support facilities. The authority shall have the power to issue bonds and it is authorized to apply to the Racing Commission for a permit. The bill provides that an amount equal to $\frac{1}{2}$ of 1% of all pari-mutuel pools shall be deposited annually in the General State Fund.

Prior to implementing any project development, the authority shall submit a master plan to the board of chosen freeholders of the county in which the project is to be located for prior approval. The board shall approve or disapprove the plan within 90 days following its submission.

The authority shall pay in-lieu-of taxes to the taxing jurisdiction in which the property is located. The amount shall be equal to the taxes which would have been assessed against the property if it had not been acquired by the authority.

A private buyer may purchase the Garden State Racetrack provided that such purchase is made no later than six months following the enactment of this bill.

Senator Rand has suggested amendments which would:

- 1) reduce the size of the authority from eight to seven members by removing the executive director of the New Jersey Sports and Exposition Authority; and
- 2) provide that one of the four non-ex officio members be chosen from a list prepared by the governing body of the municipality in which the project is to be located.

Our first witness will be Senator Walter Rand, sponsor of S-1005.

SENATOR RAND: Senator Lipman, I wish first to express my thanks for the opportunity to speak to you again on behalf of Senate Bill 1005. As you know, I have for some time been arguing the merits of and the necessity of returning the Garden State Park facility to its former position as an employer, job creator and entertainment center for South Jersey, and revenue producer for all of New Jersey. The specifics of S-1005 are well known to you; however, with your indulgence, I would like to highlight once again what the bill is and what it is not.

First, it is not, "my way or no way" legislation. Indeed, S-1005 is purposely designed to be flexible. For example, the bill calls for a six-month waiting period before a State-run South Jersey Sports and Exposition Authority would take charge and develop. But at the same time, I welcome the input of others in this regard. If Governor Kean for example would prefer the waiting period be extended to nine months or twelve months, I'm perfectly amenable to that kind of change. I think the Governor ought to have maximum input into this legislation before we approve it. I believe all of you, and every member of this Legislature, ought to have the opportunity to present your views. Not only would I not resist amendments, I full expect them and welcome them. In my mind, amendments represent input and I encourage input from you, from the Governor, and from all responsible parties. My only goal is that we get off dead center and do something.

Second, the bill is not only a plan simply to rebuild Garden State Park in Cherry Hill, and in all candor the Cherry Hill site is my preference. But, again, flexibility is the watchword. If Governor Kean or the Legislature believes it more advantageous to conduct site studies in other South Jersey cities and counties, I have no argument at all with that. My only argument is against further neglect of this issue. Five years of inaction is simply too long.

Finally, S-1005 is not a mechanism for disregarding local prerogatives. On the contrary, I believe this legislation has demonstrated a keen sensitivity to local concerns. We voted through the Joint Appropriations Committee last Wednesday night to restore compensatory education funds because local municipalities told us they simply had to have it. We opened the administration's gross receipts recommendation because local governments told us it was important. Indeed, I am proud of our record of being concerned over priorities enunciated by local officials. I have taken great care to insure that no element of this bill proposes to disregard the views of those likely to be most impacted by its provisions. That is why I and other sponsors continue to welcome ideas from the broadest possible spectrum of local individuals, organizations and governments. In short, I am not here to strangle but to embrace a variety of thoughts and ideas. It is first and foremost a carefully developed starting point for the redevelopment of a significant contributor to the New Jersey economy.

Modest estimates indicate that the proposed racetrack and convention center will in itself provide no fewer than 4,000 jobs for security guards, service personnel, bar and restaurant workers, pari-mutuel clerks and the like, and those are not one-shot temporary construction jobs, but long-term employment for the people of South Jersey. If I might deviate from my text, Madam Chairman, in this regard I listened to the radio coming up here today and it was announced by the Department of Labor that we have now reached an unemployment situation of 10,300,000 people, the highest since World War II. I have alluded many times to the certain influx of dollars which this facility can bring to the area. People drawn to the center. Exhibitors and private patrons alike will stay in our hotels, eat in area restaurants, and shop in our malls and stores. The economic ripple effect can be extraordinary. The total economic impact of a successful racetrack exhibition center will surely reach into the multi millions of dollars per year. Senate Bill 1005 is also an attempt to make sure that all citizens and all geographic areas have an opportunity to share in New Jersey's economic future. I frankly believe that the southwest region of this State has in the past been substantially neglected. I am pleased that the Meadowlands has been such a success in North Jersey. I am equally happy that so many

in Atlantic and surrounding counties have benefited from casino gambling. I believe that both of these projects have moved New Jersey out front in recognizing the inevitable shift of the northeast from a manufacturing to a service economy. Now I think we have an obligation to help the southwest portion of our State to get into the mainstream of New Jersey's economic future and S-1005 will help to do that.

When I first introduced legislation for the redevelopment of the Garden State, I expressed deep reservations about the likelihood of finding a private developer for a racetrack convention center. My pessimism in this regard was based primarily on the tight money supply. The cost of borrowing what money was available and the large capital investment couldn't possibly be higher. Today, I am more optimistic that private investors might be found. This is especially true since S-1005 proposes that the new facility be granted tax parity with the Meadowlands, i.e., a $\frac{1}{2}$ of 1% tax on its handle, rather than the 8% paid by the old Garden State Park.

I urge you to keep in mind that a State-run South Jersey Sports and Exposition Authority is Option #2 in this bill. Option #1 is and always has been private sector development. Private development is my preference. What S-1005 does is say to the private sector, "we want you to develop a facility, we encourage you to develop a facility. Please do not use the designated six-month waiting period for private development as a deadline, but rather as a goal." That six months, or the nine, or the twelve, as it may become, is a period of time when we will be encouraging, not discouraging, private investors.

In the event private money is not forthcoming, then I believe the South Jersey Sports and Exposition Authority called for in the bill is a very viable alternative.

Madam Chairman, it is strange indeed that just a couple of years ago, and I never introduced these but I would like to introduce them today, that the Mayor of Cherry Hill sent to the legislators a resolution supporting the concept of the innovative plan to save the Garden State Racetrack, and in that says, "There has been great uncertainty as to the future of the Garden State Racetrack and the possible negative effect on the Township of Cherry Hill and all of Camden County." And it says "all." To continue, "a plan which would benefit the business of the area and not only result in rebuilding the racetrack is forwarded to the legislators of the State of New Jersey." And I will read you another letter, and we have many of them, but I think you ought to be aware of this. This comes from, at that time, the Township Manager, who said, "however, the council has not reached at this date any conclusions regarding its willingness to support this bill. Council's position remains that a private investor or State operation of the track is preferable. However, in the absence of these alternatives, council feels an obligation to consider the possibility of taking action directly, rather than leaving the track lay idle." At that time it was the consideration of Cherry Hill that if the State did not move and if a private investor did not move, then they would take it over. What has changed their minds, Madam Chairman, I do not know. But it's interesting to note, Madam Chairman, and I was at the convention of the New Jersey Board of Freeholders and I picked up a vacation guide and I have to admit to you very candidly they don't show too much about southwest Jersey, I think they have two pictures in there. But they refer to Cherry Hill, Camden County, Routes 38, 70 and 73 off Route I-295, convention area, entertainment, night clubs, and shopping. Well, I would say that that leaves quite a vacuum at this

particular moment and, Madam Chairman, for the benefit of the region, for the benefit of the area, I urge you to consider this bill.

Thank you very much.

SENATOR LIPMAN: Thank you, Senator Rand. I would like to say to the people who are going to make testimony that it was not possible for the other members of this committee to be present this morning. However, they will have the benefit of your testimony because it is all being transcribed as you can see here. The other Senators are Senator Herman T. Costello of Burlington County, Senator James W. Bornheimer of Middlesex County, Senator Gerald Cardinale of Bergen County, and Senator H. James Saxton of Ocean County. I want to introduce, too, Joe Capalbo here who is the committee aide and to tell you that his telephone number is 609-292-9106, if you want any material pertaining to this hearing.

All right, now we'll call on the first person to testify. His name is Ralph Kmiec. He is the solicitor for Cherry Hill Township. Mr. Kmiec.

R A L P H K M I E C: Thank you Senator. Initially, let me indicate that because of a family medical problem, Mayor Greenwald was not able to appear here today. Therefore, I am here to read the statement on her behalf and also to answer any questions that the committee may have. The statement is as follows:

Cherry Hill Township remains steadfast in its opposition to a South Jersey Sports and Exposition Authority.

Both Mayor Maria Barnaby Greenwald and Township Council have been consistent in their opposition to an Authority. They have been just as consistent in their requests that the Legislature consider their concerns and recommendations as stated in a position paper issued June 18, 1981.

Senate Bill 1005 still does not adequately meet those concerns which have been stated time and time again by Cherry Hill Township officials.

While we do seem to be on the right track and it would appear that there is some movement towards Cherry Hill's position, Bill 1005 still completely disregards the primary concerns of the Mayor and Township Council.

The acknowledged location of a South Jersey Sports and Exposition Authority, the Garden State Racetrack, comprises 286 acres of prime real estate in the heart of Cherry Hill's business district. Township officials have stated that this site is too much a part of the community, bordered by three main arteries and constituting over 50% of the planned downtown business center, to place its jurisdiction outside of local government.

The position paper contains the following recommendations which are still being ignored:

Section 18b. should be amended to add the following language in regard to in-lieu-of-tax payments, that they should apply to the improvements constructed by the Authority if such property were not exempt. Such payments should be made on February 1, May 1, August 1 and November 1 of each year.

Section 4 of the Bill should be amended so that an elected official of Cherry Hill's municipal government be a member of the Authority and that all members of the Commission reside in the areas of Camden, Burlington and Gloucester Counties.

Section 6a. should be amended so that all development and uses of the Authority's property be subject to the land use ordinances and subdivision and site-plan review regulations of Cherry Hill Township.

It is further recommended that proper and adequate improvements must be made to Haddonfield Road and to State Route 70 for ingress and egress at this property; that improvements have to be made to the Race Track Circle and the Ellisburg Circle on Route 70.

It is the expectation of the Mayor and Council that, in accordance with the Township's master plan for the B-4 zone, the Authority construct the road through its property as indicated in said plan.

It is recommended that sewer rental fees of the Authority in remuneration to the Township in addition to other in-lieu-of-tax payments and other revenues it receives from the Authority.

Section 6 of the Bill should be amended so that the convention center to be built should have a minimum of 120,000 square feet, and be completed within three years from the acquisition of the property.

It is recommended that all entertainment on the Authority's property -- other than sporting events -- be subject to licensing approvals from Cherry Hill Township.

It is recommended that any remaining area of the Authority's property not intended for racetrack purposes be immediately planned for development, such to occur within ten years.

Although I regret that Mayor Greenwald cannot be here today to testify at this hearing - she has not missed a hearing or session concerning this Authority - please be assured that I am voicing her concerns as well as those of Township Council.

And lastly, and most important, our residents - the voters - have spoken. A public question on the November, 1981, non-binding referendum ballot asked if voters favored a State Authority take-over of the Garden State Racetrack. The results truly tell the story; 14,869 Cherry Hill voters said no, they most emphatically did not approve of a State Authority in their midst. 5,301 voters said yes.

To reiterate Cherry Hill's position, the creation of an Authority in Cherry Hill that would be - as the name implies - autonomous, would be completely unacceptable.

SENATOR LIPMAN: Thank you, Mr. Kmiec. In your opinion, would Cherry Hill support a privately owned racetrack?

MR. KMIEC: Yes.

SENATOR LIPMAN: It would. OK.

MR. KMIEC: I think the way to test that, Senator, if I may suggest, is that perhaps the sponsor should split this legislation into its two parts, the ½ of 1½ provision to be enacted without the Authority provision, to see whether or not in fact that will generate an interested difference in the State's take-out in a private development of a racetrack. I should also indicate to you that there are some members of Township Council who would much prefer to see a non-track use, so the opinion is not unanimous that a private racetrack would be desirable.

SENATOR LIPMAN: Let's see, the last time that we heard from you we also talked about a member from the governing body of Cherry Hill being appointed as a commissioner of the Authority. Did we ever check out whether that's a conflict of interest or not?

MR. KMIEC: Did you ever what?

SENATOR LIPMAN: A conflict of interest for a member of the governing body of the town to be -- we're going to have to check that one out.

MR. KMIEC: Well, I respectfully suggest to you that the Municipal Utilities Authority Law specifically provides that members of the governing body can be members of the Municipal Utilities Authority. There are similar pieces of legislation that indicate that, notwithstanding some argument that there might be a conflict. This is perfectly proper, so that in fact can be put into the legislation easily.

SENATOR LIPMAN: Senator Rand.

SENATOR RAND: If I might, Madam Chairman, is it not true, Mr. Kmiec, that the referendum that you speak of was worded in such a fashion as to certainly direct an opposition vote, whereas the county question which you had on that same ballot, which you make no mention of, and even though certainly the figures were less, that the very same people that voted against, by your very objectionable wording, and I must say an objectionable wording, voted in the positive for the county voting, although the numbers might not have been substantially the same. But there were two conflicting votes at that particular -- on the same day. Is that true or not?

MR. KMIEC: Well, I believe that the local referendum adequately and fairly presented the provisions of this legislation and spelled them out. If you think that's unfavorable, I think perhaps that you are entitled to that opinion. I think that the conflicting vote, I would point out that the county referendum question which was approved by the voters in Cherry Hill by a small margin, but defeated by the voters in Camden County, also included the concept and wording "local control," so that perhaps what the voters of Cherry Hill were saying was that if somebody else in Camden County wants an authority and a racetrack, fine, but not Cherry Hill.

SENATOR RAND: Mr. Kmiec, even the newspapers requested you to withdraw your objection and word it in a much more positive and objective manner. I won't quarrel, that's your right, but I'm only just for the record stating that there were two diverse votes that particular day. And finally, I think the committee ought to recognize that it is not Cherry Hill's ground, and not Senator Rand's ground, but it belongs to those people who formed Garden State some 40 years ago, or 39 years ago, and that they are entitled to the usage of their property, since Garden State was there much before Cherry Hill. It was there when Delaware Township -- and I believe that the freedom certainly of expression and private enterprise and private capital is still dedicated to the fact that those people who owned that ground have the right to use that ground as they please, within the parameters of all legal constraints.

MR. KMIEC: Those are the same people who almost unanimously objected to an offer of ten million dollars for the ground by a private developer for multi-use development which, had it been approved by the court, perhaps would have solved your problem of five years and no action with regard to this ground. Although they have the right to utilize the property, it seems to me that to say that does not really answer the question.

SENATOR RAND: That's all, Madam Chairman. Thank you.

MR. KMIEC: Thank you.

SENATOR LIPMAN: Thank you very much Mr. Kmiec. Our next person to give testimony is Mr. Richard Quattlander from the Thoroughbred Breeders' Association. Mr. Quattlander.

MR. QUATTLANDER: Thank you, Senator Lipman. My name is Richard Quattlander. I'm representing the Thoroughbred Breeders' Association of New Jersey. We're an organization that basically is set forth to promote and improve the image of New Jersey-bred thoroughbreds. If I may, I would just like to say a few short comments and then make a final statement and have some little input on the bill itself, if I could.

It's in our definite interest as far as we are concerned for the State to promote and develop agriculture generally, and improve the breeding of horses particularly. The objectives of our organization, or a good breeding program, are basically twofold: to provide an incentive to the breeding industry and to provide an incentive to the New Jersey thoroughbred owners to race in the State. Breeding farms basically generate an increased demand for supporting personnel and suppliers, such as veterinarians, blacksmiths, feedmen, farm construction workers, equipment suppliers, and also transform part-time employees to full-time employees. Additional funding, which is what this bill will provide to our organization through a part of the pari-mutuel takeout, will help to improve the quality and quantity of New Jersey bred horses and stimulate an increased capital improvements in the breeding and agricultural industries of the State. Racing has made significant economic and sociological contributions to the State. Breeding is an integral part of this industry. The absence of either racing or breeding would be to the demise of the other.

Racing revenues are a vital necessity to the support of the State government and taxes paid by the racetracks and breeding farms are of great importance to the support of local government and to the large number of persons employed in the many fields of endeavor that supply the breeding farms. Racetracks and affiliated operations constitute an important part of the economy of New Jersey. Basically, what we would like to see as far as our input on this bill, the takeout structure is such that it's very similar to the New Jersey Meadowlands takeout. Of course, we would like to see the additional racing, it would complete or help to complete year-round racing in this State, but we have to pay for purses and awards for those New Jersey bred races, both open and closed races. The takeout structure as it is now, that would provide us funds for those purses and awards to our horse owners and breeders, is unfortunately very small and would pay for only a small portion of those awards. I'd like to, just for the record, state that the Thoroughbred Breeders' Association of New Jersey and the Meadowlands administration have a private agreement where we are funded an additional sum of money to help pay for those awards and purses. I can only hope that if this bill is passed, and we certainly are hoping that it will be passed, that some sort of a mutual agreement could be worked out with the track administration helping to offset some of those costs for purses.

I want to thank you for the opportunity for allowing our organization to make this statement in behalf of the 500 or so members of our organization, all horse owners and many of them large farm owners in the State of New Jersey. Thank you very much.

SENATOR LIPMAN: Wait just a minute now. I just want to ask Mr. Quattlander, could you tell us how many breeding farms there are?

MR. QUATTLANDER: Senator Lipman, I'm not really sure. I just came on board here with the New Jersey Thoroughbred Breeders' recently, and I don't have

those exact figures. We have approximately 500 paid members in 1982, all of which have to be horse owners to some degree, either part interest in stallions or breeding mares. We have several very large farms. You can see by the journal that you have there, we have a lot of money invested in quality breeding stock, stallions, and some very beautiful farms and large farms in this State. But the exact number I couldn't tell you at this time. I'm sorry.

SENATOR LIPMAN: Mr. Quattlander has brought a very nice publication, which is the 1982 Stallion Directory of the New Jersey Thoroughbred Magazine. There are some extra copies if someone would like to peruse them. Just one more question. Would you describe the arrangement once more that you have with the New Jersey Sports and Exposition Authority about the purses.

MR. QUATTLANDER: Surely. I believe, I'm told through the accountant with the New Jersey Racing Commission that the takeout structure in this bill, Bill S-1005, is similar or the same as the one with the authority for the Meadowlands. That bill, or that takeout structure is not adequate enough to cover the expenses for the purse money. The agreement that we have with the track management at the Meadowlands calls for a supplemental amount, I believe in the neighborhood of close to \$400,000 a year, that they give to our fund to supplement these purses and owners' awards.

SENATOR LIPMAN: You were saying \$400,000 contributed by the Sports and Exposition Authority.

MR. QUATTLANDER: Right.

SENATOR LIPMAN: Senator Rand?

SENATOR RAND: Not a thing, Madam Chairman.

SENATOR LIPMAN: All right. Thanks very much, Mr. Quattlander.

MR. QUATTLANDER: Thank you.

SENATOR LIPMAN: We have the President of the Cherry Hill Chamber of Commerce, Mr. Ed Borden, and Miss Fran Burnstein of the Cherry Hill Chamber of Commerce.

MISS BURNSTEIN: Thank you. I assume you can tell the difference, but I am Fran Burnstein, Executive Director of the Chamber of Commerce. The Cherry Hill Chamber of Commerce wishes to go on record with the Senate of the State of New Jersey as it has with the State Assembly as being opposed to legislation creating a South Jersey Sports and Exposition Authority providing for a takeover of the Garden State Racetrack in Cherry Hill Township. The Chamber of Commerce is not opposed to racing or to convention facilities on the site of the former Garden State Park, but it is opposed to the acquisition and operation of that site by a State authority. This is an issue that has been much debated in Cherry Hill, in Camden County, and before the State Assembly and the Senate. A previous bill as introduced by our then Assemblyman Walter Rand had been opposed by our Chamber, by the mayor of Cherry Hill, the township council and the South Jersey Chamber of Commerce. The bill before you now as sponsored by Senator Rand, has addressed one important concern in that it does provide for the Authority to make payments in lieu of taxes in an amount equal to the taxes which would have been assessed against the property if such property were not tax exempt. However, even in its present form, Senate Bill 1005, this legislation falls far short of addressing the concerns of the elected officials in the business community of Cherry Hill and its citizens. This bill provides for no local representation, no influence, no controls.

This bill provides for the master plan of the development of this project to be submitted to the freeholders of the county in which it is located, rather than the municipality in which it is located, totally bypassing the municipality. Though it is widely recognized and specified in the bill that Garden State Park is the primary site, we do believe that wherever the authority is located, that municipality is deserving of influence and representation on the authority.

This bill makes no provision for highway improvements in the vicinity of Garden State Park to alleviate the burden of traffic congestion on Cherry Hill Road, and at the two circles in Cherry Hill Township. This bill specifically allows in addition to a racetrack, a complex suitable, and I quote, "suitable for the holding of trade shows, exhibitions, spectacles, public meetings, conventions, cultural events, or other expositions." What Cherry Hill fears is the experience of East Rutherford, where in spite of promises that were made by the authority to the Township of East Rutherford, there were many unacceptable events held at the Meadowlands. This bill also empowers the authority to acquire in the name of the authority by purchase or otherwise, on such terms and conditions and in such manner as it may deem proper, or except with respect to the State by the exercise of the power of eminent domain, any land or other property, including land under water, which it may determine is reasonably necessary for the project or for the relocation or reconstruction of any highway by the authority and any and all rights, title and interest in such lands and other property, including public lands, reservations, highways or properties owned by or in which the State or any county, city, borough, town, township, village, etc. has an interest. What it does is it gives the authority ultimate control.

The citizens of Cherry Hill Township, as well as the residents of Camden County, clearly oppose the State authority at Garden State Racetrack in two separate referendum questions in November, 1981. The members of the Cherry Hill Chamber of Commerce in two surveys taken in May, 1978 and in April, 1980, opposed a State authority, favoring instead the development of that site by private enterprise. Has Cherry Hill been devastated by the loss of the track? Be assured it has not. From 1977 to 1981, 1,119 commercial certificates of occupancy have been granted in Cherry Hill Township. The economic climate of Cherry Hill can hardly be referred to as depressed.

A convention center certainly would benefit our hotels, which have suffered a lower occupancy rate. There is no question of that. Admittedly we are concerned with the future of Garden State Racetrack in Cherry Hill Township. However, as vital as the development of that 287 acres is to Cherry Hill Township, we have a responsibility to look at the authority takeover of that site as it affects all of Camden County and South Jersey.

Why a State authority at all? Why not allow the private sector to develop that site? Proponents of the State authority have reasoned that the land has lain fallow for five years and that the only way to develop it at all is by means of a State authority. But I think we need to look back at the last five years. First, it was the settlement of the Mori Estate, then the creation of a liquidating trust, the sale of the property to a private individual who subsequently went bankrupt, followed by the sale to another developer contested by the beneficiaries of the trust, that sale negated in the courts, while the first buyer contested that sale, as well as his own bankruptcy proceedings, and including a

suit by the beneficiaries against their own trustee, the Bank of New Jersey, which resulted in the court appointment of a new trustee. And the national economy in the last five years must certainly not be overlooked.

It was not until November, 1981 that that site was placed in the hands of a credible, nationally recognized broker to actively market the property in the private market place. Until December, 1981 no effort had been made to reach out to viable prospective developers to develop as a racetrack or otherwise. The complicated legal situation has certainly discouraged interest from the private sector. Now that the property is being actively marketed, I can advise you that there is indeed interest in that site by private enterprise. There are qualified, credible, and active developers currently spending a fair amount of money in land studies for development. That development includes a variety of mixed uses, including offices, retail, residential and ancillary uses, and possibly even including hotels. Other developers, I am told, have taken an active interest in that site as a racetrack. There appears to be greater interest in that site for mixed use rather than a racetrack and that is indicative of the feeling that a racetrack is no longer economically feasible in Cherry Hill.

The question comes up, why a State authority to run a racetrack when the State's own study by Touche Ross and a later study by Coopers and Lybrand indicate clearly that a racetrack would not be economically feasible at Garden State Racetrack? Why is it taking so long for the private sector to act or to bid? As I indicated earlier, it is only since the end of 1981 that this property has been actively marketed.

For a developer to consider the purchase of a site the size of Garden State Racetrack, 287 acres, requires a great deal of preliminary study. Often, and it is not unusual, these studies can take 12 months to complete. Under ordinary circumstances a developer will take an option while this work is underway. However, in the case of Garden State Racetrack, the carrying costs of this site are so colossal as to be prohibitive. The asking option price is \$75,000 per month. There has been much controversy over what is in fact the highest and best use of this property. Is it a racetrack or a convention facility? Is it some other use? The new trustee of Garden State Racetrack has now commissioned a national market research firm for the first time to study the highest and best use and to make realistic projections in terms of feasibility. Though in the final analysis it will be economics that dictate its use.

So, there is interest in the site of Garden State Racetrack. Why an authority? To restore the lost jobs estimated at three to four thousand? The Cherry Hill Chamber of Commerce is certainly not opposed to the restoration or the creation of new jobs. We believe that the private sector, given the opportunity, can restore the jobs, and then some. Redeveloped as a racetrack, the same number of jobs would be returned. Developed as a mixed use, the potential exists for six to seven thousand permanent jobs, not to mention the construction jobs over the eight to ten-year period which would be required to complete the development of that entire site. Jobs that would be available to the residents of all of South Jersey. We are also of the opinion and hopeful that such a mixed use would benefit the hotels and help to fill their rooms. As a mixed use, such a project would expand the economy of all of South Jersey and would even place us in a better position to compete with Philadelphia and its suburbs as an economic market place.

To sum up, the objections of the Cherry Hill Chamber of Commerce are to an authority in any form assuming the ownership and operation of the Garden State Racetrack site. In that we are in agreement with the residents of Cherry Hill, the voters of Camden County, our mayor and township council, and the South Jersey Chamber of Commerce. Seems to us we have three options. A state authority to develop a racetrack and convention center, private development as a racetrack, or private development as a mixed use. Clearly those most effected have expressed their opposition to an authority and interest is being expressed by the private sector, proving it seems that there is no dire need for a State authority in Cherry Hill Township.

I'm very pleased to hear that development by the private sector is a goal of Senator Rand, because that too is the goal of the Cherry Hill Chamber of Commerce. We thank you for this opportunity to address your committee Senator Lipman.

SENATOR LIPMAN: Thank you very much. Senator Rand, do you have some questions for her?

SENATOR RAND: Fran, I would say to you that the bill always contained in lieu of taxes. Number 2, the bill does provide for transportation improvement, very specifically in the bill. Number 3, the bill doesn't exclude private development. In fact, it encourages it. We'll wait as long as the Governor wants, nine months, twelve months, however, and if a private developer comes along, fine. But the one thing that we do not believe that Cherry Hill can do, and we emphasize that strongly, they have not the right to deprive the rest of the counties from having this type of authority if they want it, and this bill allows that. This bill doesn't say it has to be in Cherry Hill. This bill doesn't say it has to be Garden State. Senator Saxton, who is from Burlington County and Ocean County, has co-sponsored this bill, and his aim is to get it up in Burlington County. What the bill does is provide a mechanism for respective steps. First, to encourage private development in Cherry Hill; second, if private development doesn't come along, the option remains with the Governor as to whether to put it in there or not; and the third option is to take it out and put it someplace else. And that's why the bill, and that's why the bill is a total bill, a bill of totality, not because it is just purported for one particular, although there is no question if Garden State is the end result, then so be it. But the bill is not purported just for Garden State, it is a South Jersey Sports Authority mainly to do three fundamental things. And to ask us to separate the bill, or to break it up, when your very own township municipal governing body urged this Legislature just one session ago to do something, pleaded with us, and then to tell us after we finally got on track, and true, the negligence might be on the Governor of this State, and on the Legislature of this State, but at least we're getting off of dead center. Any maybe we will be the vehicle to encourage private enterprise to come in there, whatever the use might be. But it still remains a fact, Madam Chairman, that five years and two months later it is still a burned-out scar on the horizon.

SENATOR LIPMAN: Miss Burnstein, do you want to comment?

MISS BURNSTEIN: I certainly can't respond to your remarks about the actions of our mayor or our township council with respect to their position. We certainly have no intentions of providing the southern part of the State of New Jersey with an authority and jobs and a racetrack, etc. Our position is simply with respect to Cherry Hill Township. Our concerns are what happens to that 287

acres. Our concerns are the ultimate power that an authority has. By no means does it reflect on the construction of an authority anywhere else in South Jersey.

SENATOR LIPMAN: Well, the Legislature has had some entreaties from persons who used to work at the racetrack before it burned and, as Senator Rand says, on several occasions we have been requested to do something about the race-track in Cherry Hill, Garden State. Perhaps this S-1005 will be the spur needed to get some activity started. That's what we often find that legislation does, create this kind of activity and movement. So, thank you very much.

Are we going to hear from Mr. Borden? Are you going to speak?
Mr. Edward F. Borden, Cherry Hill Chamber of Commerce.

MR. BORDEN: Madam Senator, I want to thank you very much for this opportunity. My name is Edward F. Borden. I'm president of the Cherry Hill Chamber of Commerce, which represents approximately 360 firms. Firms are members, not individuals. Reemphasizing the remarks made by our Executive Director Fran Burnstein, about the only thing I would like to add to put a little bit further emphasis on it, is that this 287 acres is in our commercial center. It is bordered on the west by an executive campus, or office campus, with a prime tenant in there of Stone & Webster, which alone employs some 4,000 people. In addition to their activities there, there are four other major buildings immediately to the west, as well as the Hyatt Hotel to the south, a various mix of automobile dealerships, commercial firms and restaurants. To the east is Haddonfield Road, which again has a variety of fine commercial establishments. To the north, a similar setup within Route 38. All of these locations, both north, south, east and west, while they are within a quarter to a half mile of these lands, all will receive either positive or negative impact from whatever is developed in this area. These firms, and speaking on behalf of them through the Chamber of Commerce, I think are very rightly concerned that the control of this 287 acres would pass from our municipality to an authority which is in the larger sense responsible only to itself and through itself to the bond holders. We're extremely concerned that our own municipality would lose control of the piece of land so intimately connected with the major part of the business within our municipality. That's about it.

SENATOR LIPMAN: Mr. Borden, were the business complexes that you mentioned that are adjacent to the position of the track, were they there before, were they attracted to go there because the track was there before? How long have they been there?

MR. BORDEN: The racetrack as I recall was developed about 1943 in the midst of the war. At that time, as Senator Rand mentions, Delaware Township had a population of maybe three or four thousand people. Over the period from post World War II to today what was largely farmland has been developed in this immediate area with a fine complex of commercial establishments. The establishments overwhelmingly that are there are establishments that although they may get some ancillary benefit from the track itself, are there primarily I believe, I'm also in the real estate business, because of the accessibility to that area as a result of two major highways both to the north and to the south of it and also the availability of open land. To answer your question, yes they did come there after the track was built. I would say they came not because of it, but because of the availability of the land primarily, although there are many businesses there which had a spin-off from the track itself, no question about that, particularly the restaurants and the hotels.

SENATOR LIPMAN: Well, S-1005 also includes roadways, parking and sports facilities, at least the legislation mentions the creation of new roadways and so forth. Would this not be an additional spur to the business complexes around the racetrack?

MR. BORDEN: I'm not sure I understand your question fully.

SENATOR LIPMAN: Although it has been said in the testimony previous to yours that there is no mention of new roadways and parking and so forth, this is not quite true. The bill does mention the creation of roadways, parking and so forth. Would this not be a help to the business complexes?

MR. BORDEN: Oh, the creation. No question about it, the creation of new highway facilities there would be of very, very substantial benefit. We're not quarreling with that. That would be very, very welcome and it's needed now, even without the racetrack. Our concern, as I repeat, is that the control of this immense facility, which is all open land that is in the heart of the commercial area, would not be subject to local control.

SENATOR LIPMAN: Senator Rand requests me to say that we think we can improve business around the racetrack by giving them additional business.

MR. BORDEN: I won't quarrel with that one bit. I would sincerely hope that whatever is done would improve the climate there. I repeat, the problem is that should the businesses there have a complaint with the proposed authority, to whom do they go to get redress? Can they go to town hall?

SENATOR RAND: Ed, I believe that the bill is a beginning of a dialogue which we went through and maybe we didn't complete last year, and I believe there is room for local input. I believe there is room for planning. I believe it can be removed from the Board of Freeholders and returned to the municipality. What I wanted to do and what we're trying to do is we're trying to get off dead center. We're trying to pursue a conversation with the Governor and if Cherry Hill is going to be involved in the conversation, I'm sure that doors will be opened through the respective representatives that you have and through my office, and maybe we ought to sit down, but once and for all we believe that South Jersey ought to be given the vehicle of some type of State input rather than the neglect that has been going on for five years and two months.

Nobody is trying to force anything down. In fact, to go back to the letters, and I have tons of these, by the way Ed, from the municipal government, tons of these, we have a file that's yea that thick, in which they request us, they implore us, they beg us to take some type of action, whether it be State action or any other type of action. Maybe we fell short of the obligation, I feel that we did. We had an obligation to do something years ago, and this is the vehicle in my opinion that will either open the door or will shut the door. But we ought to find out once and for all. If we can get the input from Cherry Hill, if we can accommodate them to protect their interests, I have no objection. In fact, I will urge the Governor to do that.

MR. BORDEN: Senator, I'm sure the Cherry Hill Chamber of Commerce and the members are most appreciative of all the efforts made to have this track reactivated. All of the efforts that can be made along those lines are extremely well appreciated. Our concern is simply that we are fearful that the loss of control of such a vital piece of land would not be in the best interest of the business community.

SENATOR RAND: I'm satisfied to give it back and let the municipal authorities have some control. But you see, there is a great philosophical difference between your outlook and mine. I don't believe that Cherry Hill is an island unto itself. I believe there is a mutuality of interests in the respective municipalities. There is an obligation, an inter-dependent obligation. The mayor, and I didn't want to refer to this, kindly offered Camden for a race-track. Would it be that we had 250 acres or 220 acres, I can assure you that I would be out in front. Unfortunately, we don't have that type of acreage, but let me say this to you, we will gladly give you the hazardous waste disposal plant in Camden, very gladly.

MR. BORDEN: I appreciate what you're saying. As I repeat, we welcome all the assistance we can get, with the primary concern that our town shall retain the ability to protect itself, protect its residents, and its business associates.

SENATOR RAND: I want you to know, Mr. Borden, that we have leaned over backwards and will continue to lean over backwards, not only to make sure that if it ever does go, whether it be by private enterprise or by State takeover, that we have even structured the bill so that racing doesn't interfere with the homeward bound traffic, with the flow of traffic. It is out of the congested hours. We have been the most conciliatory body that I have ever seen. If there is any stubbornness I would submit to you, Mr. Borden, that we are not the stubborn people. We will do anything in our power to agree and attempt to comply with the wishes of the municipality in which it is placed, but we don't feel that we should be stymied any more in that track situation, whether it be in Garden State or in any of the other counties that may want it.

MR. BORDEN: Thank you.

SENATOR LIPMAN: Thank you very much, Mr. Borden. I think next is Senator David Dowd, who is now representing the New Jersey Horsemen's Benevolent and Protective Association. I'm glad to see you here.

SENATOR DOWD: Madam Chairman and Senator Rand. In the interest of time and to avoid redundancy, I would like to submit to yourself and to your committee a statement made by our President, John Costanza, who was unable to attend this meeting here today, setting forth quite adequately all of the reasons that we as members of the thoroughbred segment of the industry feel are necessary for the reconstruction and rebirth of a racing center in South Jersey which would give us a self-contained state of racing, both for the thoroughbred and standard-bred people here in the State. I will submit for your review the April 16 publication of the Racing Digest with the president's message.

I would just like to add that some 3,500 people a day would be employed in the new facility in the South Jersey area, with greater contributions by way of ancillary help in taxation, sales tax, and other residual, or to use Senator Rand's expression, ripple effect throughout the community in which this facility would be built. It would also complement the other racetracks within the State, such as the Meadowlands, Atlantic City, and Monmouth Park. It would keep within our jurisdiction a total industry. We are now shut down for four months out of the year as a result of the fire at Camden several years ago, and it is very difficult to contain the quality of racing and the quality of horses within the State in the absence of four months' racing. We have seen good stables,

fine horses, move into other jurisdictions and not return to this State, and this has somewhat been injurious to the quality of racing and also to the detriment of the economic aspects, both to the industry itself and to the State of New Jersey.

I would seek complete support of this bill, and I appreciate the fact that the sponsoring senator, Senator Rand, has indicated his willingness to sit and negotiate and compromise in those areas where there may be room for compromise and adjustments.

I thank you for the opportunity to be here today to speak in behalf of the New Jersey Horsemen's Benevolent and Protective Association. Thank you, Senator.

SENATOR LIPMAN: Thank you. I think we get copies of the Racing Digest, but perhaps, Senator, you would provide the members of this committee with the issue that you mentioned, the President's Speech.

SENATOR DOWD: I certainly will supply an adequate amount.

SENATOR LIPMAN: We would appreciate that. Thank you.

SENATOR DOWD: Any further questions?

SENATOR LIPMAN: No, thanks very much. Mr. Ernest Wooden, President of the Cherry Hill Hotel and Motel Association.

MR. WOODEN: Good morning, Senator Lipman, Senator Rand. My name is Ernest Wooden. I'm the vice president and general manager of the Sheraton Post Inn in Cherry Hill. In addition, I sit as the president of the Cherry Hill Area Manager's Association and am also on the board of directors of the New Jersey Hotel and Motel Association.

In the Cherry Hill area I represent approximately 16 hotels which employ in the neighborhood of 5,000 employees and unequivocally represent the number one industry in the Cherry Hill area. We contribute to the Cherry Hill budget, millions of dollars in real estate and sewer taxes, and we think that our voice should be heard and we appreciate the opportunity to be here this morning.

We'd like to state that the Cherry Hill area Manager's Association is in complete support of this new bill. I have to take issue with my business colleague, Mrs. Burnstein, who said the economic climate in Cherry Hill is a healthy one because the economic climate in the number one industry in the Cherry Hill area is quite exhausted and very depressed. We are suffering an occupancy which falls significantly below the national average for hotels. When I say significantly, we on the average run occupancies in excess of 12% lower than the national average. These figures don't mean much to non-hotel people, but they have significant impact to people who are in the industry and who have invested heavily in the Cherry Hill area. We are convinced, and I have been in the area for more than ten years, that the only thing that is going to change this around and keep some of the several hotels from turning into unnecessary nursing homes is going to be a convention center wherein we can bring thousands of conventioners, and there have been studies done that suggest that in addition to the direct contribution made to the bottom lines of the hotels, and when I say the bottom lines I don't mean increasing profits, most of us would be happy with breaking even and paying the debt service on those investments, but in addition to those hotels the ancillary businesses, shopping centers, gas stations, restaurants, etc. will have hundreds of dollars per conventioner recycle through the community. We can't think of a better thing to do with that facility and we are convinced that the highest and best use of those 287 acres is

in fact a convention center, along with a racetrack. There has been some question about our position as far as the racetrack/convention facility is concerned, but let it be known that we are in support of this bill as it stands because we are convinced that a convention facility standing alone would not be able to care for itself, and that a racetrack is absolutely necessary to make such a project feasible.

I wanted to mention that when the Cherry Hill residents were asked the question whether they would support a State-operated facility on that ground, most of the residents of Cherry Hill were swayed in the negative fashion in which that question was stated on the ballot. That is our opinion, small as it might be. We agree with Senator Rand that there is a contradiction in the fact that those same Cherry Hill residents in fact encouraged, or approved of the facility in another county in the area. We think it would be a shame, in view of the fact that we have nearly 5,000 first-class hotel rooms within 15 minutes of that facility, if this type of project went elsewhere. It would be a slap in the face for the number one industry in the area. It would spell certain ruin to many properties that are on the borderline of various stages of bankruptcy at this point.

I received a telephone call last night from Mr. George Springer, who is the chairman of the board of the G. E. Springer Group, which owns the Cherry Hill Inn, probably the first hotel in the Cherry Hill area, and certainly I am told the namesake for the area, the Cherry Hill Inn, and he told me in a rah-rah fashion that he wanted me to make it perfectly clear this morning that he purchased the Cherry Hill Inn 19 months ago and that if he had his druthers and could turn back the time he would not have done so, and that the only thing that is going to save his facility and many facilities like his would be if this bill were passed on that ground. So, I'm here to state that senior hotel people like Mr. Springer, the owner of the Hyatt Hotel, certainly my hotel, the Rickshaw Hotel, which borders I believe to the south of the facility, are all anxious to get this off dead center, as Senator Rand has pointed out, because five years is too long and it is the only hope for this industry. There is nothing that is going to change the poorest complexion in the Cherry Hill area than this bill. It is not going to be developed by a private developer, it's going to take even more time. I'm incredulous because of the amount of time that it's taken that anything is going to happen, and we wholeheartedly support this bill.

Senator Lipman: Senator Rand, I want to thank you on behalf of the Cherry Hill Area Manager's Association for the ability to speak our opinion and I'll answer any questions if that is necessary.

Senator Lipman: Yes, I have just one. You speak of the advantages of the convention center and how much the ancillary agencies around this convention center would spur trade for the hotels. Do you believe that there would be too much competition between a convention center on this site and one in Atlantic City which is being planned, the addition is being planned, new construction being planned to the convention center in Atlantic City?

MR. WOODEN: No, I do not. Specifically the reason I don't think there will be unnecessary competition is that there are only certain types of conventions in this country that will have their serious meetings in a gambling casino town. A very small percentage of people will do it. Large organizations, very large trade groups will do it, but we have always suggested to our clients that one of the advantages of meeting in the Cherry Hill area is that we are in earshot of Atlantic

City, but if their meeting is about serious business, that they can have that meeting during the day and should their people require that kind of recreation or desire that kind of recreation we can bus them there at night within an hour's drive. So, I don't think there is going to be unnecessary competition. I would like to say this one thing, however. If the Atlantic City Convention Hall does bear fruit and is built, it will certainly spell sure doom to the millions of dollars that have been invested in the Cherry Hill area if nothing is done to counterbalance that on our side, unequivocally without a doubt. To give you an example, Senator, the only city-wide or area-wide convention that we entertain right now is called the Wire and Cable Symposium. Last week I met with them at the MGM Grand Hotel in Reno, Nevada. The reason they had their meeting in Reno, Nevada was that the MGM Grand Hotel, which has a 130,000 square foot convention facility, was entertaining them in an effort to get their nearly 3,000 members to meet next year at the MGM Grand. I went out on behalf, of course, of our area. We have entertained them for the last four years. It represents a quarter of a million dollars in one week's business to our area.

The problem that they have in our area, beside the fact that they are bused from many hotels, is that there is no one place where they can comfortably meet. They met there at the MGM Grand, and we were told before I left that "Yes, they will be back in 1983," and no sooner had I got back in Cherry Hill when they called me and said "the MGM Grand has made several offers that we can't refuse, and that's where our next convention will most likely be." So, I give that illustration to suggest that should the convention center go up in Atlantic City, we will see foreclosure after foreclosure in the Cherry Hill area of the number one major industry if there is not a counterbalancing facility in that area that will provide the needs of groups that would rather not meet in a casino environment.

SENATOR LIPMAN: How many hotel rooms did you say in your 16 hotels?

MR. WOODEN: Nearly 5,000.

SENATOR LIPMAN: 5,000. Senator?

SENATOR RAND: Thank you, Madam Chairman. Mr. Wooden, do you belong to the Cherry Hill Chamber of Commerce?

MR. WOODEN: Yes sir, I do.

SENATOR RAND: Are many of the hotel members members of the Chamber of Commerce?

MR. WOODEN: My colleague and I were just talking about that. Many of the members of the hotel group are split about belonging. I know of one specifically large hotel that refuses to because the Chamber does not represent our position. It's a difficult thing because we believe in the efforts of the Cherry Hill Chamber of Commerce, although on this issue we're split. So, I'm pressed to say that some of us belong because of the long-range benefits, but some of us don't belong specifically because the Chamber does not represent our position in this connection.

SENATOR RAND: I wasn't prying. What I wanted Madam Chairman to know is that there was not an unanimity of thought by the Cherry Hill Chamber of Commerce. It represents a majority, but certainly not unanimity.

MR. WOODEN: That's right.

SENATOR RAND: And number two, I would say one thing Madam Chairman, to certainly emphasize what Mr. Wooden said. It would not even disturb me if the State took no money, Madam Chairman, and piled it back, or plowed it back into a

facility, because I think the State has that strong of an obligation that the break-even point is as good as they can expect in order for them to return something to those Southern counties. And so, I would have no hesitancy in telling the Governor that even the $\frac{1}{2}$ of 1% should be plowed back into that convention site facility where we could get some good use out of it.

SENATOR LIPMAN: Thank you, Mr. Wooden. Mr. Howard Weiss of the Sportsmen Employees' Local #137.

MR. WEISS: Senator Lipman, Senator Rand. My name is Howard Weiss. I am president of Sportsmen Employees' Local #137, representing mutuel tellers, mutuel clerks of the New Jersey racetracks. I'm acting in the position of a substitute today and I hope I do a better job than the substitutes the 76ers put in last night. Mr. Bill Egling, the business agent, business manager of our Local could not be here today and he asked me to address the group and, as he has written this letter in the first person, I am going to read it as if I were Mr. Egling.

Distinguished Legislators, Ladies and Gentlemen. My name is Bill Egling and I am business manager of Sportsmen Employees' Local #137 AFL-CIO, headquartered in Cherry Hill and serving the entire State of New Jersey.

Our Local has provided the greatest number of employees for any race-track in New Jersey because we serve as mutuel clerks, accepting the wagers, recording them, and paying out winnings to patrons. In a very real way, the racing industry could not exist as a source of revenue for the State, for private enterprise, or for those associated with it without us. We're the vital link, and I'm proud to represent the men and women from throughout the State who make up that link.

Those men and women suffered a crippling blow when Garden State Park burned down some five years ago. Hundreds of our people were lucky to escape with their lives. For all too many of them, that was all they escaped with, because in the months and years since then only a fraction of the staff has been fully employed. Others are under-employed, working only a few months out of the year and requiring unemployment funds. These aren't just statistics and they're not just my people. They're our people, yours and mine, and they deserve a chance to hold up their heads, rebuild their family hopes, and start again.

For more than five years we have waited for private interest and private enterprise to do the job. It hasn't. Because in today's economic world the return of investment doesn't justify it in dollars and cents terms. But the bottom line is made up of more than sums. We have to look beyond that. So we look to the shining example of the Meadowlands as a model of what can be done within New Jersey to focus worldwide attention on it and to provide thousands of jobs in that section of the Garden State. The same thing can be done in Southern New Jersey without it in anyway unfavorably impacting on the Meadowlands. It is a different market.

Senate Bill 1005 gives all of us a chance to put our people back to work. It gives us a chance to add scores of private businesses in the region. It helps our State's and region's tourist industry and provides thousands upon thousands of jobs in support and allied fields not directly involved with any track or convention center operation. We want you to respect local conditions and interests, but keep your eye on the target. Prompt and favorable reporting of this bill out of committee is the first step in aiding an entire region of our State. Surely and certainly it would help the men and women of our Local, but it does more than that. It can help

everyone. We have delayed and discussed for five years, now let's do something. Let's act on Senate Bill 1005 and you'll be serving our State's best interest today and tomorrow.

This letter was made up, as I said, by our business manager and if I might I would like to add a few thoughts of my own. I speak not as a union official, but as one who is vitally interested in the future of racing in the State of New Jersey. I have spent some 40 years in racing and I feel, sincerely feel, that thoroughbred racing in the State of New Jersey has almost reached, and I say the word almost with hesitancy, a position of impasse, because a position of impasse means that there is no way out, there is no escape. We've reached the end. I do not believe that. I'd rather paraphrase that by saying it's like two boxers in the ring who are sparring and no one wants to make the first effort to go on the offensive, and they stay there and there's no movement. And I think I'd rather use that word, the word movement. At this time I see no movement. And that brings me to a little story I remembered all my life. It has to do with an old baseball pitcher who was very famous by the name of Satchel Paige. Some of the old-time fans surely remember Satchel. The words that he said that I remember were, "Don't look over your shoulder, there might be somebody standing right behind you." And I took those words to mean you must work faster, you must work harder, you must progress, because if you don't the fellow that is behind you is going to take your job.

Talking about movement, we have movement. Unfortunately, not here, but in other states, and I think this is very important. Federal legislation from surrounding states has motivated and prompted racetracks to run on a year-round basis. They have made it so palatable, and by saying palatable I mean that the legislature has reduced their take, their percentage, so these tracks will run year-round. Now, what has this done? First of all, it has made the purse structures of these states, and particularly the State of Pennsylvania, very favorable to the purse structures of New Jersey and, in fact, in some cases it has exceeded our purse structures. And in terms of horsemen, this has kept some of them in that area.

The second thing is that it has filled a void created by us, a void of three months, or I should say four months, of non-racing here and that includes every Sunday where our people, where our horse bettors do not spend their dollars in the State of New Jersey, but go elsewhere. And the third, and I think the most important reason is that the same as everyone else, the expenses of the horsemen have continually gone up and they are looking for situations where they can run their horses at one place for an entire year in order to make ends meet. I have heard horsemen speak about this and I don't know this year how many horsemen either put part or all their stable here in the State of New Jersey, or put part of the stable elsewhere, but I do know one thing for sure, that unless we get off, as Senator Rand said, off that dead center, that in the years to come more and more stables are going to stay outside of the State and we're going to have to scratch here, there and everywhere to get horses to fill our cards. And, if you follow the papers, you can see even today that on many occasions we cannot even get enough horses to fill some of our exacta and trifecta races.

I myself have always equated handle with quality and quantity, and people love to see a lot of horses and if we don't get horseflesh here we're going to begin losing not only quality and quantity, but we're also going to lose the

bottom line and that is handle. Let me now digress for one moment because someone spoke about the breeding industry. I have occasion many days to go through beautiful Monmouth County and see some of those gorgeous horse farms and I've stopped and I've seen some of the buildings and the cleanliness and the expanses of ground, and not only on the main road but on some of the back roads, and I say to myself "what a shot in the arm it would be if we could have year-round racing here in the State of New Jersey." What enthusiasm these horsemen and breeders would show. How many investors would now get into the business and begin to buy horses. And I can envision in my dreams that New Jersey would be the mecca of the breeding industry. Not down South, not New York, but we here in New Jersey. They used to say New Jersey bred horses and they were of low quality. That's no longer true. We're getting better and better and better all the time, and by gosh if we had year-round racing I can really see what a big difference it would make.

In conclusion, let me say this. Unless there is some progress made, we won't have the opportunity to turn around as Satchel Paige and look behind us because that guy behind us is going to be so far ahead of us that we'll never be able to catch him.

Thank you for allowing me this opportunity to say a few words.

SENATOR LIPMAN: I would like to ask if you would, maybe not at the moment, but if you could give the committee some suggestion about how many jobs were lost after the fire and how many jobs you project we will have if we restore this racetrack.

MR. WEISS: I can tell you right now that in the mutuel department alone, that is not taking the other departments, in the mutuel department alone when Garden State burned down we lost better than 500 jobs. We had 500 people employed there at different times. I believe somewhere in the neighborhood of 2,000 or so were employed in other industries.

SENATOR LIPMAN: Senator Rand?

SENATOR RAND: I just would ask you one thing. The reestablishment of Garden State, wherever it might be in the Southern area, would complete a circuit, am I correct, which would give us a balance of racing all year round?

MR. WEISS: Absolutely, Senator.

SENATOR RAND: And let me follow that logic that if we don't reestablish some type of a racing circuit in Southern New Jersey, in that southwest area, then what we do is we stand a chance of having the other tracks begin to feel the pinch and then they will close.

MR. WEISS: This is what I was stating when I said that the horsemen slowly but surely are staying away from this State. We're getting less horses all the time, and if it continues, I'm afraid that our industry, not only in the Southern part of the State but throughout the whole State, is going to be in deep trouble.

SENATOR RAND: Thank you very much.

MR. WEISS: Thank you very much.

SENATOR LIPMAN: Thank you Mr. Weiss. Next is Mr. Sam Naples, the New Jersey Horsemen's Benevolent and Protective Association. Mr. Naples.

MR. NAPLES: Thank you, Madam Chairman. I wish to address my remarks with respect to the economic factors involved with respect to the failure to provide year-round racing in the State of New Jersey. I have been authorized by the Horsemen's Association to announce that they will move back into this State and you will have year-round racing and they will definitely stay here. I wish to emphasize the tremendous factor with respect to year-round racing. The economic conditions in New Jersey

following the disastrous policies that have effected our economy demand that we do something to reestablish an industry that started in 1942 with thousands of people being served and which took Cherry Hill from a village to a municipality.

Now, let me give you some statistics. I'm looking at it from a tax angle, from the wages and the wage earners and the fact that business would be tremendously enhanced. One organization alone, the Latin Casino and operation, was producing more than one million dollars annually in sales taxes only to the State of New Jersey. We sorely need this income. The horsemen are prepared to leave this State unless action is taken to bring about full-time racing to meet the needs. Now, I can say one other factor which is highly important. The South Jersey build-up since 1942 shows the tremendous increase in population from then of 1,500,000 plus and still growing. We're entitled to a sports exposition and convention center in South Jersey to meet the growing needs of the tremendous growth in population. In addition, this would attract in an area only 100 miles from the old Camden Garden State area, no question about it, a population of 12,000,000 people who would be utilizing the center because of our convention center, our racetrack spots in Monmouth County, Camden County and Atlantic County, and the development that would come with additional housing is a sorely needed factor, but I wish to emphasize this. Right today, as a patron of racing for many, many years, I get appalled at the fact that I go to Keystone or go to Monmouth and I see horse racing with five or six horses. It has a definite affect upon the public's interest in wanting to make a wager, which is a loss of income.

Two hundred and eighty-five stables are pushed to stay in the State of New Jersey to continue their operation without moving from this State as long as we get the sports complex at the Garden State track and the convention center open to attract people that also will be patrons of racing. I feel that the State owes it to the people to find jobs, thousands of jobs, that are going to have a tremendous impact upon the family life of that area so that we can definitely show the people of this State that we're interested in the building of South Jersey because the people are steadily moving from North Jersey into the Ocean, Monmouth, Camden and Atlantic County areas in tremendous numbers. To give you some statistics, as a member of the State Association of Election Officials and Superintendent of Elections of this county, in 1942 the population of Monmouth County was in the neighborhood of 200,000. Since then, we have increased the Monmouth County population to well over a half a million people. Ocean, the largest percentage of increase in the State. So that the population explosion from North to South Jersey is definitely important to meet the needs and services of these people wanting to have business centers, convention centers, income factors from the standpoint of maintaining their families.

I sincerely hope that Senator Rand, who has made an aggressive approach to this problem, will be successful with respect to his complex and also that it would be a tremendous blow to the economy of the people of this State, and I hope and pray that we do this to preserve our horsemen and give the people the kind of racing and the kind of an exposition center that will be a credit to the State of New Jersey. Thank you.

SENATOR LIPMAN: Just a minute, sir. The Executive Director of the Cherry Hill Chamber of Commerce, Miss Burnstein, mentioned that Cherry Hill was nervous about the experience of East Rutherford, and you have hit it again. There

will be additional people, additional housing. How much confusion do you think will take place, or will it be a boom to this area to have that sort of additional population, additional housing problems, parking, etc.?

MR. NAPLES: Well, I feel this, that the additional housing problems are not going to be localized. They will be more or less centered in that area, but it won't just be Cherry Hill. The expansion, for instance as I mentioned, of counties like Ocean, a distance away, counties like Monmouth, a distance away, has been the tremendous impact that has effected the population spread of this area. But in the Camden area, go back to the organizations that were mentioned, like the Cherry Hill Inn, thousands of people were employed. Cherry Hill would have still been a village if it wasn't for the Camden Race-track which developed a population and an interest in that area. The people began going there to these great centers, including the Latin Casino and the other hotel ventures. I respectfully submit that in order to supply the needs of the State to meet the racing possibilities of having an extended racing period in New Jersey throughout the year, and I have to tell you one thing, 75% of the horsemen in this State for the past five years are operating at a loss, but they're hoping and praying that we will overcome this by bringing to fruition a year-round racing program. We will then have a happy solution for the "sport of kings" that people want to go ahead and patronize. I feel that this is going to have a tremendous impact upon the development of that area from the real estate angle, from the tax angle, and from other factors involving our economy.

Thank you for the opportunity to present my views on behalf of the horsemen.

SENATOR LIPMAN: Mr. Naples, you don't have any idea how many farms there are, breeding farms?

MR. NAPLES: Yes, 285 is the figure that I have been given of breeding farms and horse farms and of the 3,000 members of the Horsemen's Benevolent and Protective Association, 1,000 are horsemen and trainers who are New Jersey residents. These are the statistics which were given to me by R. Anthony Chamblin, Secretary-Treasurer of the Association, which embraces 3,000 members.

SENATOR LIPMAN: Thank you very much, Mr. Naples. Mr. Kmiec, you wanted to have a few words more.

MR. KMIEC: Senator Rand earlier quoted from some Cherry Hill correspondence and said what has happened to make Cherry Hill change its mind. Senator Rand has kindly shown me that correspondence and I can say to you, Madam Chairman, that nothing has happened and no one has changed their minds. The correspondence, the first piece is a letter in January, 1978 submitting for consideration a bill that would have permitted Cherry Hill to operate the racetrack. That is certainly not inconsistent with the concerns for local autonomy expressed here today and at every other prior hearing. The second is a resolution...

SENATOR LIPMAN: Wait just a minute. Mr. Kmiec, I hate to interrupt you, but if you will allow me I'd just like to ask you to explain your point. You say that Cherry Hill has expressed a wish for autonomy, is that what you just said?

MR. KMIEC: For local autonomy, that is correct.

SENATOR LIPMAN: For local autonomy, and they would like to run the racetrack.

MR. KMIEC: No, I didn't quite say that. In January of 1978 when that letter was written, there was some discussion about examining the feasibility,

the possibility, the practicability, and the wisdom of local government getting involved. The ultimate decision was that it didn't make much sense on any of those levels, but that was the context of that correspondence.

SENATOR LIPMAN: The question that I have for you, sir, is what is the main objection, is it objection to the track being rebuilt itself? Is that the objection, or the objection that no local officials will be involved in the authority and in the process? It seems to me that the objection is more than just no longer having local autonomy. It seems that the Chamber of Commerce and Cherry Hill itself does not wish the facility to come anymore, to be built in Cherry Hill.

MR. KMIEC: As I indicated earlier, I think that there is some division on the governing body and among the people of Cherry Hill as to which would be the better use of the property, a racetrack under private ownership or mixed use development. The basic opposition is to the bill that is on the legislative board. If some other bill is drafted or amended, then perhaps the situation will change. I don't know. You know, I can't address a bill to be written. So, to answer your question, Senator Lipman, there is some division as to which is the highest and best use from the point of view of the municipality.

SENATOR RAND: I would reiterate, Madam Chairman, that neither Cherry Hill municipality nor this legislature owns that ground and I would say that the use of that ground will certainly be limited as to what the people who own it want it to be used for in the final analysis, under the subject and under the rules and regulations of the municipality. But I don't think that we can dictate to them what to use it for, nor do I think that Mr. Kmiec can dictate what they can use it for.

MR. KMIEC: Underlying this discussion, Senator Rand, is the fact that if the owners sell to a private developer who wants to use it as a racetrack, in all likelihood under the case law of the State of New Jersey, they have the right to do that regardless of what Cherry Hill wants to do because they are probably under the case law a prior non-conforming use, so that racetrack or no racetrack is not a decision that a governing body in all likelihood can make if private ownership is found that wants to rebuild as a racetrack, because as you are aware the racing surface exists, the barn area exists, the parking lots exist, the only thing that is missing, the only thing - twenty or thirty million dollars worth of construction, is the grandstand.

SENATOR LIPMAN: You must excuse me for interrupting your presentation. I just wanted it to be clear for the other members of the committee, the Senators who are not present today, defined as clearly as possible what the main objection is from Cherry Hill. That is the only reason I interrupted.

MR. KMIEC: The objection is to the bill as it presently stands in regard to the points earlier addressed. The second piece of correspondence was sometime in early 1979, when Mr. Ellis was the owner and someone came up with the idea of trying to run races at Garden State without a grandstand, with the pari-mutuel machines and television screens being in various hotels. The governing body supported that concept because it was racing under private enterprise and would be helpful, it was felt, to the hotels. There was an indication, also earlier, that suitable land is not available in Camden. It is my understanding that there is an 88 acre tract available in the City of Camden, whether that is large enough for

the complex in division or not I do not know. I respectfully suggest that someone ought to take a look at it and come up with that determination, because if the land is available from the City of Camden, then the ten million dollars or more necessary to purchase the Garden State site should suffice to build a racing surface and the racing barns. At least that subject I think should be studied.

SENATOR RAND: Mr. Kmiec, your interest and concern for Camden is only exceeded by your gracious gift to us and we would return the gift to you as I said before, do you want the prison or would you rather have the waste disposal facility.

Let me say to you, Mr. Kmiec, I don't want to get into a debate with you, this is not the place for debate, but two points I will make to you. Rest assured that we have gone over and we have seen every site in Camden and superimposed the present plan which would contain just the racetrack and the parking, and there is nowhere in the City of Camden and that's come from the Mayor. The Mayor has had people working on that for eight months. So, we thank you for your gift, but all we can say is "no thanks." Number two, whether I took these out of context is debatable, but I submitted these and, Madam Chairman, we will bring you in fact additional correspondence, as late as two years ago, in which the Cherry Hill council people and the Mayor implored us to take action. These are not figments of our imagination. These are not taken out of context. We submitted the letters fully. And, Ralph, you know I take exception to that, because all I submitted was nothing removed. I submitted correspondence which we had, and we have more correspondence.

MR. KMIEC: I understand you submitted the correspondence, but...

SENATOR RAND: You have a right to your opinion, Ralph, but I certainly did not fabricate any letters, nor did I take them out of context.

MR. KMIEC: I didn't say that, Walter. I didn't say that you took them out of context. I said that in your statement you made reference to them and I wanted the record to be clear as to the full background of the correspondence.

SENATOR RAND: I took nothing out of context.

MR. KMIEC: I didn't say that.

SENATOR LIPMAN: All right. Continue Mr. Kmiec.

MR. KMIEC: I think it should be clear that Mayor Primus would be very happy to have a racetrack in the City of Camden if it could fit on the 88 acre site.

SENATOR RAND: Do you have an offer from Mayor Primus? We would be happy to hear it.

MR. KMIEC: May I touch base with him personally?

SENATOR RAND: Pardon me.

MR. KMIEC: May I touch base with him personally?

SENATOR RAND: May you touch base with him personally? I'm not the one to tell you what takes place. I'm not the representative of the City of Camden and unless I have gotten wrong information, and unless I haven't been sitting with Mr. Hankowsky and Mr. Corcoran going over this, then I must be in the wrong town.

MR. KMIEC: Well then you do agree that they would like to have it if they can develop a site large enough?

SENATOR RAND: We are so desperate for help that we would take anything that would be a plus, Mr. Kmiec.

MR. KMIEC: That's all I wanted to say, Senator. I thank you for allowing me the opportunity to return.

SENATOR LIPMAN: You had a hard time responding, didn't you? I kept interrupting. Thank you.

MR. NAPLES: May I offer one thought that I did want to bring out?

SENATOR LIPMAN: Yes, Mr. Naples.

MR. NAPLES: And I'm talking about the financing of this whole complex. I've told Senator Rand that there is an organization that has pledged \$100,000,000 to be available upon the creation of this commission to initiate the entire sports complex convention center. They are dutifully one of the largest organizations in the world, based in New York, and they have made this pledge and will be behind it so that you don't have to worry about the financing from the State angle, but a private angle will do it.

SENATOR LIPMAN: Very good. Thank you, Mr. Naples. Senator Rand, Would you like to clarify the situation of the Camden connection with Cherry Hill?

SENATOR RAND: I'm really very happy that Mr. Kmiec is really that concerned about Camden having a racetrack, but the truth of the matter is we don't have the ground in Camden, there is nowhere we can put it. We have tried, Madam Chairman. We've gone through superimposing plot plans and everything else, and if there were any possible way of having that type of ground, the 80 acres that he refers to, it would take me at least 30 minutes to tell him why that is nowhere near sizeable enough, and there's the composition of the ground itself, but that's another matter, except to say that the fact that Camden cannot take the track does not negate Cherry Hill's responsibility to act as a good neighbor to all its people. We would think that certainly the fact that Camden had to take certain disturbing situations in order for it to climb out of its fiscal problems, certainly we would expect the same consideration.

We're not trying to impose an institution that's abhorrent. We're not bringing in a mental institution, a prison, a facility resource recovery plant, it is merely the establishment of a conforming use to which it was put for some 33 years. Nothing else. And, again, I would emphasize that the very same people who are so much in opposition, and we will come back and show you letter after letter and correspondence from councilpeople, from the mayor, from the township manager, that they urge this Legislature to do something.

SENATOR LIPMAN: Thank you very much, Senator, and I want to thank, although most of them have departed, the persons who presented testimony here today, the Hotel Association, the Thoroughbred Breeders' Association, the employees' local union, and the Chamber of Commerce of Cherry Hill, as well as Senator Walter Rand. I want to thank you and say that we end now the public hearing on Senate Bill 1005.

(Hearing Concluded)

June 4, 1982

TO: SENATE COMMITTEE ON STATE GOVERNMENT

RE: Public Hearing, Senate Bill 1005

This statement is on behalf of the Standardbred Breeders and Owners Association of New Jersey, a statewide association with some 3,000 members representing all aspects of the standardbred breeding and harness racing industry in New Jersey, including breeders, owners, trainers and drivers of harness racehorses. There are also some 10,000 grooms and other employees at the State's racetracks and hundreds of breeding and training farms.

The SBOANJ is supportive of the passage of S-1005, because it will establish a much-needed pari-mutuel harness racing facility in South Jersey.

There is a substantial population--both horses and people--in the southern tier of our State who currently are forced to travel tremendous distances to race at The Meadowlands or at Freehold Raceway, or go out of State--to Pennsylvania or Delaware.

The harness racing industry in New Jersey--the racing of standardbred horses--has grown tremendously in recent years, particularly because of the success of racing at The Meadowlands. As many of you undoubtedly know, harness racing at The Meadowlands is the best in the world and widely envied. In fact, there is a proposal being made in California now to copy the Meadowlands Sports Complex concept, with a pari-mutuel racetrack to support

other sports facilities. Interestingly enough, that proposal calls for that racetrack to be exclusively used for harness racing, even though California is considered a very good thoroughbred racing state.

While thoroughbred racing does reasonably well at The Meadowlands, there is the harness racing meet that has been most successful.

The success of The Meadowlands has given a tremendous boost to the standardbred breeding industry in New Jersey, too. Our State's Sire Stakes program, which provides special purse money and racing for New Jersey-sired horses has grown by leaps and bounds, and is one of the best in the nation. As a result, some of the best harness racehorses, when retired to stud for breeding, come to New Jersey.

The result has been a tremendous growth in breeding and training farms throughout our State, including South Jersey. These farms have not only preserved thousands of acres of open space, but provided thousands of new jobs.

As an example of this growth, a few years ago private harness racing interests purchased a championship golf course in Columbus in Burlington County and turned it into one of the most beautiful standardbred breeding and training farms in the country. A harness racetrack in South Jersey, closer to farms such as this, couldn't help but succeed and further enhance not only the harness racing industry but the many other related industries that service it, such as feed and grain, building supplies, leather and harness supplies and the construction industry.

We recognize that there are many problems in trying to re-establish or establish a racetrack. We in the standardbred industry hope that these problems can be worked out so that a new racing facility can be built in South Jersey for the benefit of all the people in New Jersey.

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