

DEPOSITORY COPY
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PUBLIC HEARING

before

ASSEMBLY STATE GOVERNMENT, FEDERAL AND INTERSTATE RELATIONS AND
VETERANS AFFAIRS COMMITTEE

on

ASSEMBLY, NO. 275

["South Jersey Sports and Exposition Authority Law"]

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NOV 24 1981

Held:
August 12, 1981
Assembly Chamber
State House
Trenton, New Jersey

Members of Committee Present:

Assemblyman Richard J. Codey [Chairman]
Assemblywoman Barbara F. Kalik
Assemblyman Dennis L. Riley
Assemblyman Ernest F. Schuck
Assemblyman Gerald Cardinale

ALSO:

Joseph P. Capalbo, Research Associate
Office of Legislative Services

* * * * *

New Jersey State Library

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ASSEMBLY, No. 275

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1980 SESSION

By Assemblyman RAND

AN Act to provide stadiums and other buildings and facilities in south Jersey for athletic contests, horse racing and other spectator sporting events and for trade shows, conventions, cultural events, and other expositions; creating the South Jersey Sports and Exposition Authority and defining its powers and duties; authorizing the issuance of bonds and notes of the authority, providing for the terms and security thereof; and providing an appropriation therefor.

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

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

1 2. The Legislature hereby finds and declares that the general
2 welfare, health and prosperity of the people of the State will be
3 promoted by the holding of athletic contests, horse racing and other
4 spectator sporting events and of trade shows and other expositions
5 in the State; that in order to induce professional athletic teams,
6 particularly major league football and baseball teams, to locate
7 their franchises in the State, it is necessary to provide stadiums and
8 related facilities for the use of such teams, in addition to the facili-
9 ties for horse racing and other spectator sporting events; that such
10 stadiums and other facilities would also accommodate other events
11 and serve other uses which would provide needed recreation,
12 forums and expositions for the public.

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

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

20 The Legislature has determined that to provide for the establish-
 21 ment and operation of the needed stadiums and other facilities
 22 for the holding of such spectator sports, expositions and other
 23 public events and uses, a corporate agency of the State shall be
 24 created with the necessary powers to accomplish these purposes.

25 The Legislature further finds that the authority and powers
 26 conferred under this act and the expenditure of public moneys
 27 pursuant thereto constitutes a serving of a valid public purpose
 28 and that the enactment of the provisions hereinafter set forth is
 29 in the public interest and is hereby so declared to be such as a
 30 matter of express legislative determination.

1 3. The following words or terms as used in this act shall have
 2 the following meaning unless a different meaning clearly appears
 3 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.

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

12 b. The authority shall consist of the State Treasurer and the
 13 Attorney General, who shall be members ex-officio, and four mem-
 14 bers appointed by the Governor with the advice and consent of

15 the Senate for terms of 4 years, provided that the members of the
16 authority (other than the ex-officio members) first appointed by
17 the Governor shall serve for terms of 1 year, 2 years, 3 years and
18 4 years, respectively. Each member shall hold office for the term
19 of his appointment and until his successor shall have been ap-
20 pointed and qualified. A member shall be eligible for reappoint-
21 ment. Any vacancy in the membership occurring other than by
22 expiration of term shall be filled in the same manner as the original
23 appointment but for the unexpired 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, who shall be chief executive officer of the
32 authority, shall be appointed by the Governor from the members
33 of the authority other than the ex-officio members, and the members
34 of the authority shall elect one of their number as vice chairman
35 thereof. The authority shall elect a secretary and a treasurer who
36 need not be members, and the same person may be elected to serve
37 both as secretary and treasurer. The powers of the authority shall
38 be vested in the members thereof in office from time to time and
39 four members of the authority shall constitute a quorum at any
40 meeting thereof. Action may be taken and motions and resolutions
41 adopted by the authority at any meeting thereof by the affirmative
42 vote of at least four members of the authority. No vacancy in the
43 membership of the authority shall impair the right of a quorum of
44 the members to exercise all the powers and perform all the duties
45 of the 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 may designate an
63 office or employee of his department or agency to represent him
64 at meetings of the authority, and each such designee may lawfully
65 vote and otherwise act on behalf of the member for whom he
66 constitutes the designee. Any such designation shall be in writing
67 delivered to the authority and shall continue in effect until revoked
68 or amended by writing delivered to the 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. Except as otherwise limited by the act, the authority shall
2 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 n. 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 and such addi-
82 tional officers who need not be members of the authority and
83 accountants, attorneys, financial advisors or experts and all such
84 other or different officers, agents and employees as it may require
85 and determine their qualifications, terms of office, duties and com-
86 pensation, all without regard to the provisions of Title 11, Civil
87 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 a. The authority, pursuant to the provisions of the act, is
2 hereby authorized and empowered to acquire by purchase,
3 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 one or more stadiums,
6 coliseums, arenas, pavilions, stands, field houses, playing fields,
7 recreation centers, courts, gymnasiums, club houses, a race track
8 for the holding of horse race meetings, and other buildings, struc-
9 tures, facilities, properties and appurtenances incidental and
10 necessary to a complex suitable for the holding of athletic contests
11 or other sporting events, or trade shows, exhibitions, spectacles,
12 public meetings, conventions, cultural events or other expositions,
13 and such project may include driveways, roads, approaches, park-
14 ing areas, parks, recreation areas, food vending facilities, restau-
15 rants, transportation structures, systems and facilities, and
16 equipment, furnishings, and all other structures and appurtenant
17 facilities related to, necessary for, or complementary to the pur-
18 poses of the project or any facility thereof. The authority may
19 construct on such site other facilities consistent with the purposes
20 for which the authority was established including, but not limited
21 to, the construction of convention halls and cultural centers. As
22 part of the project the authority is empowered to make capital con-
23 tributions to others for transportation and other facilities, and
24 accommodations for the public using the project. Any part of the
25 project site not occupied or to be occupied by facilities of the
26 project may be leased by the authority for purposes determined
27 by the authority to be consistent with or related to the purposes of
28 the project, including but not limited to hotels and other accommo-

29 dations for transients and other facilities related or incidental to
30 the project.

31 b. Revenues, moneys or other funds, if any, derived from the
32 operation or ownership of the south Jersey complex, including the
33 conduct of horse race meetings, shall be applied in accordance with
34 the resolution or resolutions authorizing or relating to the issuance
35 of bonds or notes of the authority to the following purposes and
36 in the following order:

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

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

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

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

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

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

1 7. a. The authority is hereby authorized, licensed and empowered
2 to apply to the Racing Commission for a permit or permits to hold
3 and conduct, as part of the south Jersey complex, horse race meet-
4 ings for stake, purse or reward, and to provide a place or places
5 on the race meeting grounds or enclosure for wagering by patrons
6 on the result of such horse races by the pari-mutuel system, and
7 to receive charges and collect all revenues, receipts and other
8 sums from the ownership and operation thereof; provided that only
9 the authority through its employees shall conduct such horse race
10 meetings and wagering and the authority is expressly prohibited
11 from placing in the control of any other person, firm or corpora-
12 tion the conduct of such horse race meetings, 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 pari-
19 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
24 30 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 56 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 admission fee
52 for the races and all matters relating to the collection thereof.

53 f. Distribution of sums deposited in pari-mutuel pools to winners
54 thereof and payments from the remaining balances in such pools
55 for stakes, purses or rewards and special trust accounts for breed-
56 ing and development of horses shall be for the purposes of and in
57 accordance with the provisions of P. L. 1940, c. 17 (C. 5:5-22 et seq.)
58 pertaining thereto. In addition, as an initial payment to the State,
59 an amount equal to $\frac{1}{2}$ of 1% of all pari-mutuel pools shall be de-
60 posited annually in the General State Fund. All amounts remaining
61 in pari-mutuel pools after such distribution and payments shall con-
62 stitute revenues of the authority. Except as otherwise expressly
63 provided in this section 7, the authority shall not be required to
64 make any payments to the Racing Commission or others in con-
65 nection with contributions to pari-mutuel pools.

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

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

81 i. Any horse race meeting and the pari-mutuel system of wager-
82 ing upon the result of horse races held as such race meeting shall
83 not under any circumstances, if conducted as provided in the act and
84 in conformity thereto, be held or construed to be unlawful, other
85 statutes of the State to the contrary notwithstanding.

86 j. Each employee of the authority engaged in the conducting of
87 horse race meetings shall obtain the appropriate license from the
88 Racing Commission subject to the same terms and conditions as is
89 required of similar employees of other permit holders. The Racing
90 Commission may suspend any member of the authority upon ap-
91 proval of the Governor and the license of any employee of the au-
92 thority in connection with the conducting of horse race meetings
93 pending a hearing by the Racing Commission for any violation of
94 the New Jersey laws regulating horse racing or any rule or regula-
95 tion of the commission. Such hearing shall be held and conducted
96 in the manner provided in said laws.

1 8. a. If the authority shall find it necessary in connection with
2 the undertaking of the project to change the location of any portion
3 of any public highway or road, it may contract with any govern-
4 ment agency, public or private corporation which may have juris-
5 diction over said public highway or road to cause said public high-
6 way or road to be constructed at such location as the authority shall
7 deem most favorable. The cost of such reconstruction and any dam-
8 age incurred in changing the location of any such highway shall
9 be ascertained and paid by the authority as a part of the cost of
10 the project. Any public highway affected by the construction of
11 the project may be vacated or relocated by the authority in the

12 manner now provided by law for the vocation or relocation of public
13 roads, and any damages awarded on account thereof shall be paid
14 by the authority as part of the cost of the project. In all under-
15 takings authorized by this subsection the authority shall consult
16 and obtain the approval of the New Jersey Department of Trans-
17 portation.

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

28 c. The authority shall also have power to make reasonable reg-
29 ulations for the installation, construction, maintenance, repair,
30 renewal, relocation and removal of tracks, pipes, mains, conduits,
31 cables, wires, towers, poles and other equipment and appliances
32 (herein called "public utility facilities") of any public utility as
33 defined in R. S. 48:2-13, in, on, along, over or under the project.
34 Whenever the authority shall determine that it is necessary that any
35 such public utility facilities which now are, or hereafter may be,
36 located in, on, along, over or under the project shall be relocated in
37 the project, or should be removed therefrom, the public utility
38 owning or operating such facilities shall relocate or remove the
39 same in accordance with the order of the authority; provided, how-
40 ever, that the cost and expenses of such relocation or removal,
41 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. a. Upon the exercise of the power of eminent domain, the
2 compensation to be paid thereunder shall be ascertained and paid
3 in the manner provided in chapter 1 of Title 20 of the Revised
4 Statutes insofar as the provisions thereof are applicable and not
5 inconsistent with the provisions contained in this act. The authority
6 may join in separate subdivisions in one petition or complaint the
7 descriptions of any number of tracts or parcels of land or property
8 to be condemned and the names of any number of owners and other
9 parties who may have an interest therein and all such land or
10 property included in said petition or complaint may be condemned
11 in a single proceeding; provided, however, that separate awards be
12 made for each tract or parcel of land or property; and provided
13 further, that each of said tracts or parcels of land or property lies
14 wholly in or has a substantial part of its value lying wholly within
15 the same county.

16 b. 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 been 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 chapter 1 of Title 20 of the Revised Statutes
115 the amount of the award may be paid into court, payment may be
116 made into the Superior Court and may be distributed according to
117 law. The authority shall not abandon any condemnation proceeding
118 subsequent to the date upon which it has taken possession of the
119 land or property as herein provided.

1 10. a. The authority shall have the power and is hereby autho-
2 rized from time to time to issue its bonds or notes in such principal
3 amounts as in the opinion of the authority shall be necessary to
4 provide sufficient funds for any of its corporate purposes, including
5 the payment, funding or refunding of the principal of, or interest
6 or redemption premiums on, any bonds or notes issued by it whether
7 the bonds or notes or interest to be funded or refunded have or
8 have not become due, the establishment or increase of such reserves
9 to secure or to pay such bonds or notes or interest thereon and all

10 other costs or expenses of the agency incident to and necessary to
11 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
44 privileges, 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 its 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. In any resolution of the authority authorizing or relating to
 2 the issuance of any bonds or notes, the authority, in order to secure
 3 the payment of such bonds or notes and in addition to its other
 4 powers, shall have power by provisions therein which shall con-
 5 stitute covenants by the authority and contracts with the holders
 6 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 and
30 on the incurring of 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 or 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. Any pledge of revenues, moneys, funds or other property
 2 made by the authority shall be valid and binding from the time
 3 when the pledge is made; the revenues, moneys, funds or other
 4 property so pledged and thereafter received by the authority shall

5 immediately be subject to the lien of such pledge without any
6 physical delivery thereof or further act, and the lien of any such
7 pledge shall be valid and binding as against all parties having
8 claims of any kind in tort, contract or otherwise against the au-
9 thority, irrespective of whether such parties have notice thereof.
10 Neither the resolution nor any other instrument by which a pledge
11 of revenues, moneys or funds is created need be filed or recorded
12 except in the records of the authority.

1 13. Neither the members of the authority nor any person execut-
2 ing bonds or notes issued pursuant to this act shall be liable
3 personally on such bonds or notes by reason of the issuance thereof.

1 14. a. The authority may establish such reserves, funds or
2 accounts as may be, in its discretion, necessary or desirable to
3 further the accomplishment of the purposes of the authority or to
4 comply with the provisions of any agreement made by or any
5 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
28 any, on, and the retirement of, such bonds secured by such reserve
29 fund maturing or becoming due and for the payment of which
30 other 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. In order
67 further to assure the maintenance of such debt service reserve fund,
68 there shall be annually appropriated and paid to the authority for
69 deposit in the debt service reserve fund such sum, if any, as shall
70 be certified by the chairman of the authority to the Governor as
71 necessary to restore such reserve fund to an amount equal to the
72 maximum debt service reserve with respect to such bonds of the
73 authority then outstanding and secured by such reserve fund. The
74 chairman of the authority shall annually, on or before March 1,

75 make and deliver to the Governor his certificate stating the sum,
 76 if any, required to restore the debt service reserve fund of the
 77 authority to the amount aforesaid, and the sum or sums so certified,
 78 if any, shall be appropriated and paid to the authority for deposit
 79 in such debt service reserve fund of the authority prior to the end
 80 of the first calendar month of the next succeeding State fiscal year.
 81 Any payments to be made by the State to the authority as aforesaid
 82 for deposit in such debt service reserve fund are subject to and
 83 dependent upon appropriations being made from time to time by
 84 the State Legislature for such purpose.

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

89 f. Nothing herein contained shall be deemed to cause the bonds
 90 or notes of the authority to be in any way a debt or a liability of
 91 the State or any political subdivision thereof other than the
 92 authority, and the bonds and notes of the authority, whether or
 93 not payable from the debt service reserve fund created and estab-
 94 lished pursuant to this section, shall not create or constitute any
 95 indebtedness, liability or obligation of the State or any such
 96 political subdivision or be or constitute a pledge of the faith and
 97 credit of the State or of any such political subdivision.

98 g. For purposes of this section, initial project shall mean the
 99 initial development of the South Jersey complex as determined by
 100 the authority, and shall consist of (1) a football stadium to seat
 101 approximately 76,500 persons, (2) a racetrack and related facilities
 102 for both thoroughbred and harness horse racing, (3) roadways,
 103 parking and other support facilities therefor, and environmental
 104 facilities in connection therewith, together with all land and rights
 105 in land, structures and improvements, and other facilities and
 106 appurtenances related thereto.

1 15. a. The State of New Jersey does hereby pledge to and
 2 covenant and agree with the holders of any bonds or notes issued
 3 pursuant to authority of the act that the State will not limit or
 4 alter the rights or powers hereby vested in the authority to acquire,
 5 construct, maintain, improve, repair and operate the project in
 6 any way that would jeopardize the interest of such holders, or to
 7 perform and fulfill the terms of any agreement made with the
 8 holders of such bonds or notes, or to fix, establish, charge and collect
 9 such rents, fees, rates or other charges as may be convenient or
 10 necessary to produce sufficient revenues to meet all expenses of

11 the authority and fulfill the terms of any agreement made with
12 the holders of such bonds and notes, together with interest thereon,
13 with interest on any unpaid installments of interest, and all costs
14 and expenses in connection with any action or proceedings by or
15 on behalf of such holders, until the bonds, together with interest
16 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. The State and all public officers, governmental units and
2 agencies thereof, all banks, trust companies, savings banks and
3 institutions, building and loan associations, savings and loan
4 associations, investment companies, and other persons carrying on
5 a banking business, all insurance companies, insurance associa-
6 tions and other persons carrying on an insurance business, and all
7 executors, administrators, guardians, trustee and other fiduciaries,
8 may legally invest any sinking funds, moneys or other funds belong-
9 ing to them or within their control in any bonds or notes issued
10 pursuant to the act, and such bonds or notes shall be authorized
11 security for any and all public deposits.

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

1 18. a. All projects and other property of the authority is hereby
2 declared to be public property devoted to an essential public and
3 governmental function and purpose and shall be exempt from all
4 taxes and special assessments of the State or any political sub-
5 division thereof; provided, however, that when any part of the
6 project site not occupied or to be occupied by facilities of the
7 project is leased by the authority to another whose property is not
8 exempt and the leasing of which does not make the real estate tax-
9 able, the estate created by the lease and the appurtenances thereto
10 shall be listed as the property of the lessee thereof, or his assignee,
11 and be assessed and taxed as real estate. All bonds or notes issued
12 pursuant to the act are hereby declared to be issued by a body
13 corporate and public of the State and for an essential public and
14 governmental purpose and such bonds and notes, and the interest
15 thereon and the income therefrom, and all funds, revenues, income
16 and other moneys received or to be received by the authority and
17 pledged or available to pay or secure the payment of such bonds
18 or notes, or interest thereon, shall at all times be exempt from
19 taxation except for transfer, inheritance and estate 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 municipi-
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.

d. All payments to municipalities pursuant to subsection b. and c. shall be treated as payments in-lieu-of-property taxes for all purposes of article 9 of P. L. 1968, c. 404 (C. 13:17-60 to 13:17-76).

13. On or before the last day of February in each year the authority shall make an annual report of its activities for the preceding calendar year to the Governor and to the Legislature. Each such report shall set forth a complete operating and financial statement covering its operations during the year. The authority shall cause an audit of its books and accounts to be made at least once in each year by certified public accountants and the cost thereof shall be considered an expense of the authority and a copy thereof shall be filed with the Comptroller of the Treasury.

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

21. The authority, in the exercise of its authority to make and enter into contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers, shall adopt standing rules and procedures providing that, except as hereinafter provided, no contract on behalf of the authority shall be entered into for the doing of any work, or for the hiring of equipment or vehicles, where the sum to be expended exceeds the sum of \$2,500.00 unless the authority shall first publicly advertise for bids therefor, and shall award the contract to the lowest responsible bidder; provided, however, that such advertising shall not be required where the contract to be entered into is one for the furnishing or performing services of a professional nature or for the supplying of any product or the rendering of any service by a public utility subject to the jurisdiction of the Board of Public Utilities and tariffs and schedules of the charges, made, charged, or exacted by the public utility for any such products to be supplied or services to be rendered are filed with said commission. This section shall not prevent the authority from having any work done by its own employees, nor shall it apply to repairs, or to the furnishing of materials, supplies or labor, or the hiring of equipment or vehicles, when the safety or protection of its or other public property or the public convenience require, or the exigency of the authority's service will not admit of such advertisement. In such case the authority shall, by resolution, passed by the affirmative vote of a

majority of its members, declare the exigency or emergency to exist, and set forth in the resolution the nature thereof and the approximate amount to be so expended.

22. It is the express intent of the Legislature that the authority in undertaking the south Jersey complex shall consult with the Department of Environmental Protection with respect to the ecological factors constituting the environment of the area.

23. It is the intent of the Legislature that in the event of any conflict or inconsistency in the provisions of the act and any other acts pertaining to matters herein established or provided for or in any rules and regulations adopted under the act or said other acts, to the extent of such conflict or inconsistency, the provisions of the act and the rules and regulations adopted thereunder shall be enforced and the provisions of such other acts and rules and regulations adopted thereunder shall be of no force and effect.

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

25. The act shall be construed liberally to effectuate the legislative intent and purposes of the act as complete and independent authority for the performance of each and every act and thing herein authorized and all powers herein granted shall be broadly interpreted to effectuate such intent and purposes and not as a limitation of powers.

26. There is hereby appropriated to the authority from the General State Fund the sum of \$1,500,000.00, or so much thereof as may be necessary, for the purposes of carrying out its function and duties pursuant to this act. Such appropriation shall be repaid to the General State Fund as soon as practicable out of the proceeds of the first bonds issued by the authority or other available funds.

27. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to create a South Jersey Sports and Exposition Authority, which would be empowered to construct and operate a sports and conventions facility on the site now known as the Garden State Race Track, Cherry Hill, New Jersey.

ASSEMBLYMAN RICHARD J. CODEY (Chairman): The hearing today is on Assembly Bill 275, introduced by soon-to-be Senator Rand, the so-called South Jersey Sports and Exposition Authority Act.

Assemblyman Rand.

A S S E M B L Y M A N W A L T E R R A N D: Thank you very much, Mr. Chairman and ladies and gentlemen of the Committee.

Assembly Bill 275 is not a new idea. This legislation was first introduced in 1977 and pre-filed for the 1980 session.

The purpose of this legislation is to create a South Jersey Sports and Exposition Authority - and, Mr. Chairman, I say that very advisedly because I know that you take great umbrage with using "South Jersey;" and if you would like to say the Garden State Sports and Exposition Authority, I certainly understand - which would be empowered to operate a sports and exposition or a convention facility on the site now known as the Garden State Racetrack.

The bill permits the Authority to secure private funding with the moral obligation of the State behind them to rebuild the racetrack and to establish a convention or exposition center.

The bill provides that in lieu tax payments will be made to the taxing jurisdiction on an annual basis in an amount equal to the taxes which would have been assessed against this property if it were not tax exempt. The amount to be paid would be recalculated on an annual basis. This legislation further provides the Authority with the power to make capital contributions to others for transportation and other facilities and accommodations necessary for the project. Any road or public highway changes deemed necessary for the successful implementation of the project shall cause the Authority to contract with any government agency, public or private corporation which may have jurisdiction to do the necessary work and all the costs shall be borne by the Authority.

The Garden State Racetrack was first established in 1942, 39 years ago. Cherry Hill and the region grew with and because of this facility. When the grandstand was destroyed four years ago, the most desirous approach and the consensus at that time was to rebuild the track as quickly as possible via a private takeover. After many efforts to see this facility rebuilt by private, non-public concerns, it became more and more evident that the economic climate was such that it made the probability of a private take-over unrealistic, as amplified by the following: A probable 50 million dollar estimate for purchasing the facility and rebuilding - and that is not with the exposition center - interest rates in the high teens, and federal taxes on profits of 50 percent. As you can see, the investment return for private ownership is not encouraging, which is why we are here today.

This legislation does not represent a radical change for Cherry Hill. If it were not for the tragic fire, Garden State Racetrack would still be in operation and without the benefits that this legislation will provide with the addition of a convention center. South Jersey has many of the inducements to become a great convention area: our many fine hotels and restaurants and our growing population. I have been told, Mr. Chairman and ladies and gentlemen of this Committee, that in a seven-mile radius we have 6,000 hotels and a site which is a suburban site but can accommodate 20,000 parked vehicles. There is no place in the City of Philadelphia nor in Atlantic City nor in the State of New Jersey that has that type of accommodation. With a convention center of adequate size and the attraction of thoroughbred horse racing, along with our other recreational offerings, we could attract the interest and patronage of various national, regional and state groups to expand and increase the economic vitality of the entire region. It is my sincere opinion that the convention

component of this legislation is, in fact, of equal if not more importance than just getting a track in operation again.

More than 2,500 jobs will be generated by the Authority. Hotels and restaurants will hire additional people, buy more supplies, and consequently generate additional revenue. The mushrooming effect will be felt throughout our entire South Jersey region. Keeping this area green and open is another consideration and renewing an outlet for the fine thoroughbred industry in New Jersey.

It is my opinion that if we do not act now, this area will remain unoccupied for many years to come. We have heard too many proposals in the past few years not to realize that if we fail to act, regardless of current options, Garden State Racetrack will remain as it is and the truth of the matter is, Mr. Chairman and ladies and gentlemen, nobody will benefit.

I would like to state that I am not wed to this legislation and I am amenable to any suggestions as to how to improve this bill. The people of Cherry Hill or South Jersey know that I would not encourage passage of any bill that would conflict with their best interest.

I want to see a bill that eliminates any grandiose plan for a stadium and restrict this legislation to an exposition/convention center and racetrack.

I want to see local input represented on the Authority that this bill would create and a satisfactory agreement on in lieu of tax payments and auxiliary services.

I want to see the final location of the project in an area that is interested in sharing the benefits it seems guaranteed to bring to us in South Jersey.

I would conclude, Mr. Chairman, by making a few remarks, by saying that there will be proponents for this bill and those against this bill. Those legitimate objectives, large or small, are important. And if we have the will and if we have the determination and the genuine, sincere desire, as long as they are legal and legitimate, we can make very strong efforts to address these concerns.

The Meadowlands, the great experiment, the undertaking that is known throughout the country, will help point the way by our understanding their trials and tribulations. Certainly, their experience becomes a guiding factor. We have those advantages.

From a popular point of view, let me inform you that our polls, our correspondence, our calls, lead us to believe that we have the preponderant and overwhelming support of both our constituents and our legislators in the South Jersey area. Just a couple of weeks ago, I was listening to Channel 23, and a commentator came on and was describing New Jersey and he said, "As we move from the industrial north to the fun-filled south. . ." I don't know how fun-filled it is sometimes, Mr. Chairman and ladies and gentlemen. No criticism is intended. But we have the pinelands, the wetlands, the clay deposits which some people would like to make the repository for all the hazardous waste disposal in this State. We have the landfills in Gloucester County and the new prison in the City of Camden. Certainly, it is not presumptuous on our part to ask the State to support and to give its authority - to lend it - to infuse some plasma into the economic bloodstream of this entire region.

It serves no purpose to lament or look back or say what should have been. It is only important to move forward in a positive manner. I believe that we are afforded this one great opportunity - and perhaps the last - to build out of the ashes a facility that will invigorate our economy, provide us with some pride, give us some excitement, serve the community, the region and the State.

Mr. Chairman and ladies and gentlemen of this Committee, South Jersey - or

whatever you will, Mr. Chairman - says, we want it; we need it; we deserve it; and, Mr. Chairman, with your help and the members of this Committee, we will get it. Thank you. (Applause.)

Mr. Chairman, I am open to any questions.

ASSEMBLYMAN CODEY: I appreciate your enthusiasm for Mr. Rand and his speech. But I would appreciate it if you would hold down the expression of your feelings, whether pro or con. That is the rule of the Chamber, as the Assemblyman well knows.

ASSEMBLYMAN RAND: Those are my voters, Mr. Chairman.

ASSEMBLYMAN CODEY: I understand.

Any questions?

ASSEMBLYWOMAN KALIK: I have just one question. There have been lots of comment in the paper as to this bill and the Authority. One of the comments I read in the letters to the editor is that people of the State do not want tax dollars to be spent in this particular fashion. I wonder, Mr. Rand, if you would clarify whether this is going to be built with taxpayers' dollars.

ASSEMBLYMAN RAND: It will be built with private money authorized by the Authority to create a bond structure and it will not cost the State of New Jersey one single penny.

ASSEMBLYWOMAN KALIK: Just one more comment. Over the past several weeks, since this has gotten the exposure in the press that it has gotten, I have had come to my office a number of realtors, developers, landowners, etc., etc., with very extensive plans, showing me where the facility should be and how many acres can be devoted to it, where parking lots would be, etc., etc. So I do think there is interest in South Jersey.

ASSEMBLYMAN CODEY: Assemblyman, by the nature of your bill, I take it that you would be opposed to private ownership if it were available.

ASSEMBLYMAN RAND: No, I have never been opposed to private ownership. I have waited 4 1/2 years for it. All we have seen are pipe dreams, talk and a lot more talk, but no really bona fide efforts. In fact, you know, yourself, Assemblyman Codey, that I have come to you many times and asked you if you could reduce the percentage of the pari-mutuel take and increase the number of racing days. People have come forward, but ---

ASSEMBLYMAN CODEY: The problem was that the administration was never really that receptive or that anxious to be involved, which would have been needed for that to have been done.

ASSEMBLYMAN RAND: In our particular area, those people who came up never came up with enough front money. They came up with small sums as against the expenditure of big sums. There was no evidence of a \$10 or \$15 or \$20 million commitment. There was evidence of a couple of million dollars. But I don't think you can swing a deal of \$50 million with that type of investment.

ASSEMBLYMAN CODEY: All right, Assemblyman. There are no further questions.

ASSEMBLYMAN RAND: Thank you very much.

ASSEMBLYMAN CODEY: The next witness will be Assemblyman John Rocco.

A S S E M B L Y M A N J O H N A. R O C C O: Mr. Chairman and members of the Committee, I appreciate the opportunity to be here today and to reflect on the Authority to be created in Southern New Jersey. I have a prepared text which I will not follow, but will attempt to give you some of the insights involved in the Garden State Racetrack.

As some may know, I happened to have been Mayor of Cherry Hill when the racetrack was hit by a fire on April 14, 1977. It was probably the best known

landmark certainly in Cherry Hill at that time and in the entire Southern New Jersey area. So it was obviously a major tragedy for our community. At that time, the loss to our community was so significant that something had to be done.

Immediately after the fire, we appealed and presented our case before the Racing Commission to have the track come back into racing position as quickly as possible with temporary facilities or whatever else would be acceptable to have continuity in revenue and in operation of the track. It was important for the State of New Jersey and certainly for Cherry Hill, itself.

The fire started - we were in Council caucus at the time - we were told by the Chief of Police at that time, with a small trash-can fire.

Later, when we walked out in front of the Municipal Building, we could see a wall of fire and the extent of the damage to our most important landmark in our community. That fire certainly destroyed a great deal of the track and also a portion of the good economy of the area.

I will try not to repeat, since you have so many speakers today, many of the things that Assemblyman Rand has already indicated to you: those things involved with employment, with hotel space, and with restaurant facilities in need of additional patronage.

The day after the fire, the Governor of the State of New Jersey, at that time Governor Byrne, flew down in his helicopter to speak with me and to view the disaster. He was as concerned, obviously, as the rest of the leadership in the Southern New Jersey area at that time. He promised that there would be a track rebuilt on the site at Garden State. Apparently, the Governor is ready to come through with that promise, with the approval, hopefully, of this Committee if you deem it appropriate to move this bill out of committee.

We think that it is important, not necessarily only to Cherry Hill --- We would hope, with the Council and Mayor of Cherry Hill in a position of agreement somewhere down the line and with the referendum that will be held in November in Cherry Hill, with the people of the community speaking - and I am certain with the feedback that I have that the referendum will be passed and will be approved - that we can see again for the Southern New Jersey area some stimulation of the economy through this Authority. Certainly the racetrack is an important aspect of it, but we cannot forget the importance of the convention center and other facilities that may be built on that site to make it the premier spot, I believe, in the entire State.

The convention center - and I have worked closely with the Cherry Hill Convention Bureau and with the Chamber --- the convention center, I believe, even the most ardent people who are in opposition to the bill would agree, is a needed aspect of the economy of our area.

Let me turn to what I would deem important as additional amendments or recommendations to be included as part of this bill. Certainly, I think a referendum would be in order in a community where this Authority may be considered. I believe it would be appropriate to have the people of that community speak, mainly because there are some problems involved with a large facility. We have dealt with them in Cherry Hill. We had an agreement with the management of the race track at the time I was Mayor where they would start the first race a little later, and, therefore, the last race would let out after the rush-hour traffic. Once that occurred, our traffic problem, which is really the biggest problem, it seems to me, for the populous of the area, was alleviated to a great degree and that certainly was a help.

Secondly, I think the call for local representation on the Authority is appropriate. It certainly is needed not only at the Council level but at the Freeholder level, for the representation of the community and the county in any decision-making that is going to affect that area. Additionally, I think a municipality would suffer with its loss of tax base and certainly payment in lieu of taxes would be appropriate, and, hopefully, would become part of the bill and would escalate as the economy and inflation escalated to take care of the cost to the municipality in loss of taxes and also for the cost of municipal police and other services that would be necessary in such a large facility.

I would emphasize again that I do not believe that Cherry Hill should be the only site considered. There are many good sites in southern New Jersey to have the traffic patterns necessary to make this a success. I would, however, emphasize that it is high time that southern New Jersey received some consideration by the State in terms of an Authority or something to generate the economy or some State funds spent in the area of southern New Jersey to help in the economy.

We do not, as you know and as Assemblyman Rand has already indicated, have a shortage of unemployed workers in Camden. It would certainly generate jobs and the creation of this Authority would be extremely important in helping to do this in our area.

I believe, after due deliberation, when the Committee considers all of the options, that this Authority in southern New Jersey would be appropriate and sorely needed. Thank you, Mr. Chairman. (Assemblyman Rocco's written statement is in the appendix.)
(Applause.)

ASSEMBLYMAN RILEY: You said that the Garden State Race Track should not be the only place considered.

ASSEMBLYMAN ROCCO: Yes.

ASSEMBLYMAN RILEY: The press and all of us keep talking about these other sites. Would you agree with me that the only economically plausible site is the Garden State Race Track? And, if not, where are these other mythical sites? We hear about Deptford Mall all the time. I can't figure out what they are talking about. We are talking about the Garden State Race Track, aren't we?

ASSEMBLYMAN ROCCO: Assemblyman Riley, I believe certainly, going from raw land to completion of the track and the convention center, that Cherry Hill is the premier location. However, I do not think it would be unfeasible to have another location. I think certainly Burlington County --- Some of the roads and highways in Deptford certainly - and you know that area much better than I - would be conducive to handling traffic patterns necessary for a State Authority.

ASSEMBLYMAN RILEY: Generally, we are talking about Garden State?

ASSEMBLYMAN ROCCO: That would certainly be the premier location, sir.

ASSEMBLYMAN CODEY: Any other questions?

ASSEMBLYMAN CARDINALE: Both you and Assemblyman Rand have indicated support for an in-lieu-of-tax provision that is, as I understand it, somewhat of a departure from the way in-lieu-of-taxes are normally considered. Would you support that as a general principle that we should change the in-lieu-of-tax provisions as they affect all such authorities, both future and perhaps those which are already functioning?

ASSEMBLYMAN ROCCO: Assemblyman Cardinale, I haven't given that a great deal of thought in terms of the broad scope of the question. But, specifically, knowing Cherry Hill intimately, the tax base of money generated by Garden State Race Track was so immense that to lose that would have severe impact on the municipality.

I would believe certainly that any other municipality would be in the same boat. If they lost or didn't have the ability for the in-lieu-of-tax payment to increase with inflation, it would be a detriment to that municipality.

ASSEMBLYMAN CARDINALE: Are you saying yes?

ASSEMBLYMAN ROCCO: I am saying I haven't give it a lot of thought. But, at this point, it would impact Cherry Hill and I am sure it would impact any other municipality not to have that escalation involved as part of the in lieu of taxes.

ASSEMBLYMAN CODEY: Thank you very much.

Our next witness will be Assemblyman Tom Shusted from District 6. Is the Assemblyman here?

D I A N E P U R E: My name is Diane Pure. I am a Legislative Aide to Assemblyman Shusted. Unfortunately, the Assemblyman couldn't be here today and asked that I deliver his message on his behalf.

(Reading Assemblyman Thomas J. Shusted's statement.)

The issue of whether or not to build a South Jersey Sports and Exposition complex is a very important one to my constituents in the Sixth District. Not only are they concerned about South Jersey, but they are also to host this project at Garden State Race Track in Cherry Hill.

As of now, there are two bills designed to create a South Jersey Sports and Exposition Authority. This hearing on Assembly Bill 275 offers an opportunity for me to voice my support of the creation of such an authority; however, I cannot support A-275 in view of the existence of A-3584, a bill which more nearly fits my concept of what is needed.

As you know, A-275 mandates three projects for the complex: 1) a football stadium to seat 76,500, 2) a racetrack suitable for both thoroughbred and harness racing, and 3) parking, access roads, and other support facilities for the complex.

The first project, the football stadium, is deleted from A-3584. In South Jersey, we have no pro baseball or football teams, and the only college football team is Glassboro State College. With little hope of attracting a major professional sports team, such a football stadium would be a white elephant.

A-3584 mandates the construction of a convention and trade center, much smaller in scope but more nearly meeting the needs of the area.

Assembly Bill 275 does not specify the site for this complex, although the statement with the bill does mention Cherry Hill. This is as it should be, for the citizens of Cherry Hill should not have this project forced upon them. I intend to offer amendments to A-3584 which require the host municipality's approval for such a project.

There are times when the State must impose its authority on a municipality. This is not one of these times.

The rebuilding of Garden State Park has created a great deal of controversy in Cherry Hill. Some residents wonder if there isn't a better use for the land. I feel that they should have their say, through their elected representatives. Likewise, any other proposed location should be subjected to similar approval.

In conclusion, I support the concept of the sports authority in South Jersey. It would be good for the economy, and it would be good for South Jersey's morale. For many years, horse racing has flourished, and it is needed again. I believe the instrument which best serves the needs of the public to accomplish these objectives is Assembly Bill 3584, and I heartily urge its passage. Thank you.
(Applause.)

ASSEMBLYMAN CODEY: Our next witness will be Maria Greenwald, Mayor of

Cherry Hill.

M A R I A B A R N A B Y G R E E N W A L D: For the record, I am Maria Barnaby Greenwald, Mayor of Cherry Hill. I am providing each of you with my statement.

Before I get into the statement, however, I would like to reiterate once again the position of myself as Mayor and the majority of our Council members. There seems to be a great deal of controversy and confusion. First of all, we are all saddened by the fact that the Garden State Park burned down. Most of us - and myself as a native of Camden County - grew up with the tradition of racing and we are well aware of what it brought to this community. So the majority of Council and myself included are not opposed to racing. I want everyone in this room to listen to that because I feel my position has been distorted. In fact, I was one of the major supporters of Mr. Ellis when he wanted to rebuild the track. I am sure many of you who are here remember that I came to Trenton many times to support the rebuilding of the track.

The majority of Council favors racing if it is built by private enterprise. The majority of Council, myself included, favor private development of the Garden State site whether it be racing or otherwise.

The majority of Council is opposed to the two bills, and particularly Bill 275, in its present form because it does not address the conditions that are important to the safety of our municipality. If the bill that you would introduce would include our ten conditions, we would not oppose the Authority.

Now, I will read my statement, but I thought it was important that I precede it with those comments because when I run into people, and people that I see here who are friends of racing, they say to me, "Why don't you want racing?" That has never been my position. However, during the four years, we have learned a great deal. When the racetrack first burned down, we were very concerned about the future of our community. We really felt that we would suffer economically and we were in a state of panic, as you can well imagine. What we have learned during the past four years is that Cherry Hill is doing quite well and Cherry Hill economically is thriving. We have added an average of \$33 million assessments each year in the past four years. That has given us an opportunity to look in a very objective way to what would be best for our community and, because of that, we have begun to realize that a complex of the size of the site may very well best serve Cherry Hill and all of South Jersey with the mixed use of office, residential, shopping, entertainment, etc.

The Mayor and Council unanimously oppose Bill A 275 and any other bill creating a South Jersey Sports and Exposition Authority which does not incorporate the ten conditions previously submitted by us to the State.

My position is, and has been, that the creation of a State Authority in Cherry Hill is not in the best interest of our community. Certainly, an Authority that would be - as the name implies - autonomous would be completely unacceptable.

We have been in contact with officials of East Rutherford and are aware of the problems which have arisen there. The response from the Meadowlands Authority to the citizens of East Rutherford has been, to say the least, one of complete indifference. I do not intend to let that happen in Cherry Hill. The citizens of Cherry Hill would not tolerate any loss of jurisdiction over activities within the confines of the track. We do not wish to have the Authority exercise eminent domain as it does in the Meadowlands.

How many of you voting or who have influence over this bill have ever been to Cherry Hill? I see here many friends that I know have been there. But in

the total Assembly, how many have every been there? In my many meetings with members of the Governor's staff, I have met people who have said to me, "By the way, Mayor, where is Cherry Hill?" I think it is important that anyone who exercises this kind of influence over the daily lives of 70,000 of my constituents would at least come to visit my community. And I would welcome you to look at the site and know how it affects and impacts upon our residents.

The economy of our community has remained vibrant and healthy during the last four years. For that reason, I advocate clear, straightforward, in-depth discussions of all proposals for the development of this land. The commercial development, which I personally favor, will bring many jobs and increased ratables to Cherry Hill and the entire South Jersey area. Needless to say, these ratables would be preferable to a simple payment in lieu of taxes offered by the State.

I would like to read for the record the conditions that are important to the government of Cherry Hill, to the Mayor of Cherry Hill, and, more particularly for all of us, to the people of Cherry Hill.

To the end that there does not occur an undue loss of future tax revenues by reason of the acquisition of real property by the Authority or construction of additional projects by the Authority for the South Jersey Complex, the Authority annually shall make payments in lieu of taxes to the taxing jurisdiction in which such property is located in an amount computed in each year with respect to each such taxing jurisdiction -- in an amount equal to the taxes which would have been assessed against the property were it not exempt. Such payments will be made on February 1st, May 1st, August 1st and November 1st of each year, commencing with the first year subsequent to the year in which such real property shall be converted from a taxable to an exempt status by reason of the acquisition thereof by the Authority.

I listened very carefully to my Assemblyman, John Rocco, and my former Mayor. He has stated to you the devastating effect that it would have on Cherry Hill Township if we were to lose the taxes paid by the racetrack.

It is recommended that the South Jersey Sports and Exposition Authority be constituted to include as local representation an elected official of the Cherry Hill municipal government as an ex-officio voting member, an elected official of the Camden County Board of Freeholders as an ex-officio voting member, and members of the Commission who reside in Camden, Burlington and Gloucester Counties. We think it is important that people on the Commission not only run the racetrack but live with the racetrack.

It is recommended 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. We all know that the fire was a terrible tragedy and it was probably, from all accounts of the fire officials, an electrical problem. We are also, if any of us are reading the newspaper, aware of the severe problems of aluminum wiring and poor construction. We in Cherry Hill pride ourselves on having one of the most excellent planning boards in the State. We, therefore, want to protect the people who race there, who work there, who visit there. And we don't see anything terribly wrong with asking that our planning board make sure that this building is safe and meets our codes.

It is further recommended that proper and adequate improvements be made to Haddonfield Road and Route 70 for ingress and egress at the Authority's property, that improvements be made to the Racetrack Circle and the Ellisburg Circle on Route 70 and that Haddonfield Road not be widened. 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.

Our township has spent countless hours and great amounts of money in studying the plan and engineering. And we feel it is absolutely essential, so that when the traffic does leave the track, it will not impact upon the little communities that surround the track. This kind of road will help alleviate that impact.

It is recommended that sewer rental fees of the Authority be remunerated to the township in addition to other in lieu of property tax payments and other revenues it receives from the Authority.

It is the expectation of the Mayor and Council that a convention, trade and exposition center be constructed by the Authority, as we have been promised by almost every legislator for the past four years, and that such a center to have a minimum of 120,000 square feet be built within three years. I would like to see it built before the end of my lifetime. It is not that I lack faith in the State, but some of us know that we wait a long, long time for anything to become a reality.

It is recommended that all entertainment on the Authority's property other than sporting events be subject to licensing approvals of Cherry Hill Township. To explain: in no way do we in the government of Cherry Hill expect to exercise authority over racing. We understand the responsibility of the Racing Commission. We do not intend to regulate the kind of race that you hold. We do not intend to regulate your days. We do not intend to regulate the normal activity, such as horse shows and things of that nature. What we wish to avoid, however, is the very serious problems that East Rutherford has experienced. They have had 32 rock concerts in one year. If you read the New York Times of approximately six weeks ago, you would find that on a Sunday night following a rock concert there were 400 arrests made and irreparable damage done to the properties, etc., in the community. Imagine the impact, any of you, if you can, if you were in my position as Mayor to get the police necessary to quell that kind of an outburst and then the impact that it would have on your municipal court system. We do not want that kind of activity and we want to have the right and the responsibility as we do now to grant licenses. We do not wish to interfere with racing.

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

We also wish to give you just a little insight what adjoins our racetrack property. Surrounding the racetrack, we have some of the few neighborhoods in Cherry Hill that are considered blue collar. They are people who moved to Cherry Hill when it was still Delaware Township. They have invested every dime they have into their homes. Many of them are senior citizens. They cannot afford to move anywhere else. In cases such as these, they are families that hand their homes down to the next person. So, now, for the first time we are seeing young families and babies coming into that neighborhood. Because it meets the low- and moderate-income guidelines, we have invested tremendous amounts, not only of our own money, but federal money, to improve the roadway, to build tot lots, to put drainage and sewers into these neighborhoods. It is significantly important to us then that the site plan that surrounds the racetrack take into consideration these neighborhoods so that we can maintain homes for the people who live on moderate incomes and they will not have to be forced to leave their homes because they cannot raise their children there.

We have vacated the street that adjoins the racetrack because the families actually lived in captivity when the racetrack was open. When the people were leaving the races, they could not let their children in or out. They could not leave their homes at that time. So, what we ask is that you look not only at the

site, but at how it affects our entire community.

If you meet these conditions, you have the commitment and word of the Cherry Hill Council and its Mayor that we will not oppose the bill and we will not oppose the Authority. We only ask that if you come into our community, you live with us and with our people as good neighbors.

I, as Mayor, speak of the concerns of the residents of Cherry Hill. But in closing, I direct my comments to the legislators from South Jersey and point out that it is their responsibility to guarantee that appropriate legislation be introduced to protect the residents of the municipality wherein the Authority will be located, be it Cherry Hill or elsewhere. Your constituents expect their interests to be protected and your oath of office demands it. Thank you. (Applause.)

ASSEMBLYMAN CODEY: Mayor, I have some questions. If my memory is correct - and I think it is - when I first was in the Assembly I had a bill that allowed more racing days for Cherry Hill and you vigorously opposed that. You said that your community didn't like the racetrack, that you didn't want any more days there, that it was a burden.

MAYOR GREENWALD: What year was that?

ASSEMBLYMAN CODEY: That was 1974.

MAYOR GREENWALD: I was not Mayor then.

ASSEMBLYMAN CODEY: --- or '75.

MAYOR GREENWALD: I did not become Mayor until 1977.

ASSEMBLYMAN CODEY: I have to disagree. You were in some official capacity.

MAYOR GREENWALD: No, sir. I was a nursery school teacher before 1977.

It may have been the Mayor before me because, if I recall, to the contrary I spent many days visiting ---

ASSEMBLYMAN CODEY: But you were the Mayor while there was still racing at Cherry Hill, weren't you?

MAYOR GREENWALD: No. The track burned down before I became Mayor.

ASSEMBLYMAN CODEY: What was your capacity when the racetrack burned down?

MAYOR GREENWALD: I was a housewife and nursery school teacher.

ASSEMBLYMAN CODEY: What were you when you came here to lobby for the racetrack to be rebuilt?

MAYOR GREENWALD: I was Mayor then in 1977. If I can just help you recall, during that time I was strongly supporting Mr. Ellis and I made many trips with him.

ASSEMBLYMAN CODEY: That was before Mr. Ellis.

MAYOR GREENWALD: I wasn't involved then. What I wanted to point out to you was that during that time when Mr. Ellis was involved, I accompanied him to the Racing Commission to see whether they would give additional days because we knew that was the only way that racing would be profitable at Garden State Track. I know Mr. Ellis is here and I am sure he can verify that.

ASSEMBLYMAN CODEY: I understand that, but you seem to have gone from one side to the other.

MAYOR GREENWALD: No, sir. Oh, you mean at this point.

ASSEMBLYMAN CODEY: You wanted the State to rebuild originally.

MAYOR GREENWALD: No. I was for Mr. Ellis' private development. And even if we wanted the State to rebuild, we always wanted to protect the interest of the people of Cherry Hill. That is the only reason I am here.

ASSEMBLYMAN CODEY: I am sure it is. Throughout your testimony here, you keep referring to East Rutherford and the big, onerous burden on the people of

East Rutherford. I have to strenuously disagree with you. I am sure that if you took a poll that they would tell you that they are more than happy to have the Meadowlands there. We are talking about a place that was a swamp. We are not talking about a sports authority that is in the middle of the Village of East Rutherford among residents' homes. We are talking about swampland. To say there was a rock concert there that disturbed the community of East Rutherford is garbage because you know and I know that is not true. That complex is not in the middle of East Rutherford.

MAYOR GREENWALD: Mr. Codey, wherever the complex may be, the jurisdiction for arrests comes under the authority of the community of East Rutherford.

ASSEMBLYMAN CODEY: But I am sure there were no police at the stadium because that is handled by their own security forces as well as the State Police and it is not a burden on the local police force.

MAYOR GREENWALD: May I share a little added information with you.

ASSEMBLYMAN CODEY: And I can tell you that almost any community in the State would be more than pleased to have the Sports Authority located in their community. Furthermore, most communities would be more than desirous of having a racetrack built and would not put conditions on it, but would say, "What can we do to accommodate you to come here," and would not say, "We'll have you if you do this, this and this."

MAYOR GREENWALD: Then you will have an easy job of it, won't you, Mr. Codey?

ASSEMBLYMAN CODEY: We may well. But I can tell you that when we were considering the jai alai bill, that was the exact situation. There were cities and communities coming to the Committee and saying, "If you allow jai alai here, we will do this, this and this." It wasn't communities saying, "We will only allow you here if you do this, this and this." It seems as though it is almost a holdup of the State when you say, "We will allow you to do this if you do certain things." (Applause.)

MAYOR GREENWALD: May I say, please, that I take my responsibility as Mayor of Cherry Hill very seriously. If there is a Mayor anywhere that would welcome you without any conditions, fine for that Mayor. It is not fine for me. Approximately three weeks ago, we had the solicitor of East Rutherford come to our caucus meeting and give us on record, which we have records of and minutes of, the conditions and the tremendous burden that they live with in respect to the Authority.

ASSEMBLYMAN CODEY: How many times have you visited East Rutherford?

MAYOR GREENWALD: I have been to East Rutherford on two occasions to the Meadowlands.

ASSEMBLYMAN CODEY: Have you seen many homes surrounding the complex?

MAYOR GREENWALD: No, I did not. But that is why we are very different from East Rutherford.

ASSEMBLYMAN CODEY: But you were comparing East Rutherford with Cherry Hill throughout your testimony.

MAYOR GREENWALD: Yes, Mr. Codey, and I hope you were listening to me.

ASSEMBLYMAN CODEY: I did.

MAYOR GREENWALD: Only in one aspect, that we because of the difference between our community and East Rutherford and because this property is in the middle of our community want to exercise authority over the licensing so we do not have the rock concerts and the problems that East Rutherford has had. That is all.

ASSEMBLYMAN CODEY: I disagree with you strenuously over the problems. The so-called problems that you say do not exist.

MAYOR GREENWALD: Then perhaps you should invite the officials of East Rutherford

to visit here.

ASSEMBLYMAN RILEY: Mayor, several things: You are talking here out of a vacuum, Mayor. It seems to me there aren't any new developments going on near the racetrack. I remember when I was in college driving a Mr. Softee's truck up Longwood Avenue and it has been the same for years.

MAYOR GREENWALD: I didn't mention new development.

ASSEMBLYMAN RILEY: The area around the Garden State Racetrack is the same today as it was in 1977, isn't it?

MAYOR GREENWALD: No sir. We have upgraded those neighborhoods, as I described to you.

ASSEMBLYMAN RILEY: I am saying there has been no new development there.

MAYOR GREENWALD: I am talking about Cherry Hill. Executive Campus is blooming. We have Victoria Station. We have the Roy Rogers. We can give you a whole list of our added assessments. Members of our Chamber of Commerce are here to give that to you.

ASSEMBLYMAN RILEY: I am saying, generally the area is pretty much the same today as it was in 1977. I am not obviously very, very familiar with that area.

MAYOR GREENWALD: No, I wouldn't say it was pretty much the same.

ASSEMBLYMAN RILEY: You said in one of your conditions that everything but sporting events would have to be approved by Cherry Hill. But if we put a convention center in there, do you really see the Mayor and Council of Cherry Hill overseeing a convention center?

MAYOR GREENWALD: I said only where there is licensing. There is never a license necessary for a convention to come into town. We are only talking about things where we presently have the authority to grant or deny licenses. Obviously, if you have a convention center, as the Hyatt House has every day, we do not intend to regulate private enterprise. What we are saying in effect is, we want more private enterprise and less regulation. But in this particular instance where we have the possibility of rock concerts and extraordinary events, we have the right, as any municipality, to grant or deny licenses for parades, for these kinds of demonstrations, for concerts. We only ask we retain that right.

ASSEMBLYMAN RILEY: Say, for instance, they wanted to have a Frank Sinatra concert at either the track or convention center, would you expect to supersede this or oversee this?

MAYOR GREENWALD: If it were a concert held within the convention center that would meet the capacity of the building, then that would be just like the former Latin Casino or the Hyatt House, you would not need our approval. It is clearly defined in our ordinance.

ASSEMBLYMAN RILEY: You said "private only" as the only way you see you could go into it; is that correct?

MAYOR GREENWALD: I said I prefer private, but if you grant our conditions, we will not oppose the Authority.

ASSEMBLYMAN RILEY: Then you wouldn't care about the Authority - you would abandon the private sector portion - as long as it was under the conditions you have set down.

MAYOR GREENWALD: If the conditions were made a part of the bill.

ASSEMBLYMAN RILEY: Is there any private developer today interested in the Garden State Racetrack as a racetrack that has really come forward?

MAYOR GREENWALD: As a racetrack?

ASSEMBLYMAN RILEY: --- as a racetrack.

MAYOR GREENWALD: Well, I hear from a few, but I don't know how viable

they are..

ASSEMBLYMAN RILEY: The alternative is, I think, the thing called the Garden, something like that.

MAYOR GREENWALD: Yes.

ASSEMBLYMAN RILEY: Do you really think South Jersey needs another mall a thousand yards from the Cherry Hill Mall?

MAYOR GREENWALD: Mr. Riley, let me say to you, Mr. Rubenstein is here to describe his complex known as the Garden. I would really feel that he should describe to you his complex, which is far more than a mall.

ASSEMBLYMAN RILEY: Mayor, would you agree with me that what we are talking about impacts more than just Cherry Hill, but affects all of South Jersey?

MAYOR GREENWALD: Yes, I do.

ASSEMBLYMAN RILEY: And would you agree that Delaware Township was built by the Garden State Racetrack ---

MAYOR GREENWALD: No.

ASSEMBLYMAN RILEY: --- to a great extent. A lot of development was built by Garden State Racetrack. (Outburst by audience.)

No further questions.

MAYOR GREENWALD: If I may, Mr. Riley, I don't think the people in Wexford Lea, Signal Hill, Barkley Farms, Old Orchard, Haddontown, Crescent Woods, etc., moved to Cherry Hill so they could go to the racetrack every day. Quite to the contrary, they moved to Cherry Hill because of Route 70 and Route 38 and the high-speed line that gives them easy access to their jobs in Philadelphia. Maybe you should do a poll. That is why this Council is supporting a referendum in Cherry Hill in November because it is a community that belongs to its people and we believe they have a right to voice their opinion.

ASSEMBLYMAN RILEY: Mayor, weren't Route 70, Route 38 and the high-speed line all built when the racetrack was still in existence?

MAYOR GREENWALD: Yes, sir, but don't you realize Cherry Hill has been built since 1950 - and building - and that the real building boom in this entire country did not take place until after the Second World War. I think that is depicted in history.

ASSEMBLYMAN RILEY: Cherry Hill's huge expansion was while Garden State Racetrack was still in existence, isn't that correct?

MAYOR GREENWALD: Yes.

ASSEMBLYMAN RILEY: But, as you said earlier, shouldn't we think of all of South Jersey, not just Cherry Hill?

MAYOR GREENWALD: You should think of all of South Jersey. I am the Mayor of Cherry Hill. That is my responsibility.

ASSEMBLYMAN RILEY: I am talking about us, as legislators.

MAYOR GREENWALD: Yes, but if you are going to put it in my town, I want you to think of me. I don't want you to hurt our community. That is all I am asking.

ASSEMBLYMAN RILEY: Did we put the Garden State Racetrack in your town or was Garden State Racetrack there before you were Mayor?

MAYOR GREENWALD: It was there and it was governed by the laws of the community.

ASSEMBLYMAN RILEY: Thank you, Mr. Chairman.

ASSEMBLYMAN CODEY: Assemblyman Cardinale.

ASSEMBLYMAN CARDINALE: Were the issue of a racetrack and/or a sports authority clearly decided one way or another and were that decision that such an authority were not to be created, what do you, as Mayor, envision happening with the area and to your community as the result of such a decision?

MAYOR GREENWALD: I think if we can ever get through the legal entanglements, sir, that involve this property, with the Mori family, the Bank of New Jersey and all the various people involved, as I am sure you are aware, -- I believe that it is a premier site for any kind of development. If Cherry Hill Township, one of the finest communities in the State and in the country, cannot attract development, then, sir, this entire State is in trouble. And I think we have with us today a man who has placed faith in Cherry Hill and South Jersey, who is willing to invest a great deal of money to develop this area.

I would be remiss as a citizen of this State if I didn't feel we are nearly as good as King of Prussia or Valley Forge, and so would you as a legislator. I believe Cherry Hill and the State of New Jersey is alive and well. And, if we can get through the legal entanglements, I think we can see development there.

If I may share one other point of confusion - and maybe you can help clear it up - I am not opposed to racing; and, if the State of New Jersey in its wisdom really wanted to see this industry thrive, why would it not make it feasible by eliminating the price of the handle that is paid each day to the State? Do you ask RCA to pay you a handle? Do you ask Campbell's Soup to pay you a handle? The State has made this industry poor because the State takes so much. (Applause.) So if the State really wants racing, then help this industry survive and don't lay the blame on me. (Applause.)

ASSEMBLYWOMAN KALIK: Madam Mayor, I was so pleased to hear you say several things today. Number one, that you are for racing; and that you will support the building of a South Jersey Sports/Exposition Center, with certain recommendations. And, Maria, you know as well as I - we have been in politics a long time - that there are considerations and compromises that we all make along the line. You have brought those recommendations to the Committee. You have brought them to the sponsor of the bill. You have brought them to the administration. They have been discussed. I admire you for your support of your constituency in Cherry Hill. As a former Mayor, I understand perfectly well where you are. And I think, as legislators, our responsibility is the State of New Jersey. As South Jersey legislators, our responsibility is South Jersey. And I really think we work very well together. Thank you.

MAYOR GREENWALD: And I believe we will, Barbara.

ASSEMBLYMAN CODEY: Our next witness will be Joseph Roberts, Freeholder Director of Camden County.

J O S E P H J. R O B E R T S, J R.: Thank you very much.

Mr. Chairman and distinguished members of the Committee, first let me thank the Committee for this opportunity to present my point of view on behalf of Camden County.

For the past four years, the residents of Camden County and particularly Cherry Hill have waited patiently for development at the site of the former Garden State Racetrack. Numerous plans have been proposed and entertained by private developers. But little substantial action has occurred.

Development of the site by the private sector has been further inhibited by the current economic crisis, especially the Federal Reserve policies maintaining high interest rates. Many economists expect this situation to persist throughout the early to mid-1980's.

Given such conditions and the lengthy period of time that has already elapsed, I believe that now is the appropriate time for the State to intervene and offer some proposal that can best serve the needs and interests of South Jersey residents.

I believe that most Camden County residents support the concept of establishing sports and exposition facilities at the site. This week's edition of the Cherry Hill News, for example, is replete with letters to the editor supporting the sports/exposition proposal.

A racetrack facility, in tandem with a functional exhibition center, has broad-based appeal that will serve cultural, business, tourist and education concerns.

Under the plan as proposed by Assembly Bill 275, the building of a track will be the catalyst for the subsequent establishment of an exhibition center and perhaps even a transportation center.

As I am sure you know, the track of the former Pennsylvania-Reading Seashore Railroad Line runs through the Cherry Hill site. This provides the very real potential of establishing a vitally needed rail link between this area and Atlantic City, while creating even more employment opportunities throughout South Jersey.

The development of a sports and exposition facility will have a positive economic impact upon the municipality, the county and State where it is located.

Not only will the track, itself, create up to three thousand jobs, jobs that have been lost since the fire, but all the other subsequent development on this site would create thousands more.

Besides direct jobs created because of these facilities, the ripple effect on nearby businesses will be substantial. There will be a dynamic impact on these businesses throughout the region.

This will be particularly true of the many restaurants and hotels which have been weathering a decline in business since the track was destroyed by flames in April 1977.

While I fully support the establishment of this sports and exposition authority, I join with others to call for the inclusion of both a county and municipal representative on this board.

If there has been any failure in the great success of the Meadowlands Authority, it has been a failure to involve local and county officials in the decision-making process. We cannot simply ignore the municipality or the county where such a facility might be located.

We need to have the representatives from all levels of government. If this legislation is amended to include such a provision, it will serve as a clear indication that whatever is done, it will be done only after hearing from all voices.

The racetrack, as I have said, can be the cornerstone for many wonderful developments that will benefit not only racing fans. The convention center and the transportation center concept, all translate into tremendous economic stimulation, not only in several thousand new jobs, but also in stimulating nearby businesses, such as department stores, restaurants and hotels.

But, as I close, I want to stress my concern that the problems cited by Cherry Hill officials be dealt with in a fair and equitable manner.

The problem of lost ratables, which is certainly a serious one for Cherry Hill - and, subsequently, a major ratable loss for Camden County - can be easily remedied simply by amending the legislation to allow for payment in lieu of taxes to both the municipality and the county.

For the most part, while the list of local concerns seems formidable, I suggest that when we examine them one by one, they are reasonable concerns expressed by municipal officials who have to bear the burden of hosting such a large facility.

Clearly, with this legislation, we have the opportunity to do many good

things.

We can create several thousand desperately needed jobs.

We can stimulate the economy.

We can provide new recreation opportunities and we can improve mass transit.

We can do all these things. But the only way we can is to show that we can work together to resolve the specific problems that stand in the way of what I expect to be tremendous improvements for all of South Jersey.

Again, I am pleased that the Committee has given me this opportunity to testify. (Applause.)

ASSEMBLYMAN CODEY: Thank you, Mr. Roberts.

ASSEMBLYMAN SCHUCK: Freeholder Roberts, you support this bill and support a South Jersey Exposition/Sports Authority for all of South Jersey. Why do you support the concept that a Freeholder has to serve on the board or, especially, in Camden County?

MR. ROBERTS: Assemblyman, my understanding is that the bill in its present form, at least the statement of the bill's purpose, addresses the Cherry Hill location. I believe, speaking to that, it should be the Mayor of Cherry Hill and a Freeholder representative from Camden County. If, in fact, it is not the Cherry Hill site, it should be the Mayor of the municipality where it is located and the Freeholder or Freeholder Director from the respective county.

ASSEMBLYMAN SCHUCK: I certainly disagree with you. It is the South Jersey Sports Authority and even though the State may say that the primary reason is to get the racetrack built, I envision the South Jersey Sports and Exposition Center a little bit larger and it may very well be a soccer field or stadium in Cumberland County, Atlantic County, or any other county. That is what the bill is all about. I question whether any time we are going to do something in any other county, whether or not they would want to have a Freeholder or a person from that county on the Authority. I just don't think that any Governor should be bound to put in a Freeholder from that county on the Authority.

MR. ROBERTS: Well, I frankly think that it shows good judgment on the part of the Governor and the Legislature if that is included in the bill. It provides the kind of on-going dialogue with the county officials that is very necessary and I believe will also provide the potential to avoid a lot of problems before they become serious by having that communication and that input by the county officials.

ASSEMBLYMAN CODEY: Any further questions? (No questions.) Thank you very much.

Is Mayor Lang here from Pemberton Township? (No response.)

William Hyland, Jr.

W I L L I A M H Y L A N D, J R.: Mr. Chairman, members of the Committee, good morning. My name is William F. Hyland, Jr. I am an attorney from South Jersey and I represent Mark Rubenstein, whose name has already been mentioned here this morning. I would like to introduce Mr. Rubenstein to the Committee. I believe he has information which will answer some of the specific questions that the Committee has had about the so-called Garden proposal. This will be a very short comment on his part, with a copy of his statement. I would like to make several comments also within the period of time that we have been allotted once he has completed. So, let me introduce Mr. Rubenstein to you.

M A R K R U B E N S T E I N: I am Mark Rubenstein, President of the Rubenstein Company. Mr. Chairman and members of the Committee, thank you for these few minutes to appear before your Committee and express our opinion with respect to bill number A-275.

The Rubenstein Company is a major real estate development firm. It has developed regional shopping centers, major office buildings and multi-family residential communities from as far north as Rhode Island, south to Florida, and west to Michigan.

We presently have a signed contract, subject to court confirmation, for purchase of the 287 acres of land in Cherry Hill, New Jersey, known formerly as the Garden State Race Track. I have a copy here if anyone would like to review it.

We had planned to use this site for development of a million square foot fashion center, not presently found in southern New Jersey, a million square foot office campus, approximately 1,000 multi-family residential units, and an area for a convention exposition center.

We have had substantial interest from major users, ranging from Sacks Fifth Avenue and B. Altman in the retail area to major corporations for office space, corporations, by the way, that are presently not located in the State of New Jersey.

The project represents approximately \$200 million of new construction, carried out totally by the private sector. We are about 70% through our planning effort and have entered into a joint venture with the Penn Mutual Life Insurance Company to be sure that the project will not be delayed in these difficult economic times.

The bill before this committee would give a State Authority the right to use condemnation to frustrate this major private development. The result would be totally adverse to every program government has today to encourage private investment. It is hard for me to believe that the power of condemnation should be granted to a Race Track Authority unless such Authority contain very specific restrictions. It certainly should not prevent private investment, or be without the sanction of the township involved. Let's face it, a race track is not a necessity for the health and welfare of a community, and even for the public good.

Finally, the proposed development will provide approximately 1,000 construction jobs and an estimated 7500 permanent jobs. This is really almost ten times what can be expected from a race track. Our development would generate about \$6½ million, annually, in real estate taxes and \$4 million, annually, in sales tax. A race track, replacing Garden State Race Track, might be a good idea in south Jersey, but I am inclined to think that if it was viable, private

investors would have long ago rebuilt the Garden State Race Track. I wonder if such an Authority wouldn't just put existing race tracks out of business.

We ask you to reject this bill, and certainly if you decide to support it, amend it not to include condemnation authority. Thank you for hearing our opinion.

ASSEMBLYMAN CODEY: Mr. Riley, do you have a question?

ASSEMBLYMAN RILEY: Mr. Rubenstein, so I can put things into perspective, do you live in New Jersey?

MR. RUBENSTEIN: No, I do not.

ASSEMBLYMAN RILEY: If you do prevail, you have no intention of building a race track, do you?

MR. RUBENSTEIN: No, I do not.

ASSEMBLYMAN RILEY: You mention that a race track is not necessary for the good or the public welfare of the people of the State of New Jersey. Do you think a shopping center and all those nice amenities that you are talking about, located about 1,000 yards from one of the largest shopping centers in the world, is really for the public good and safety of the people of New Jersey?

MR. RUBENSTEIN: Well, I think it is for the public good that the necessities are available to be purchased, and you have in New Jersey some very special examples of where fashion centers have come in after you had the existence of major retail centers, and they have worked together very cooperatively and the results have been beneficial to both. If you look at Paramus, New Jersey, Short Hills, New Jersey, and nearby King of Prussia where the court just opened, you will find all those were in areas where there were major retail centers.

ASSEMBLYMAN RILEY: You are obviously very familiar with this site, aren't you?

MR. RUBENSTEIN: I am, sir.

ASSEMBLYMAN RILEY: And, except for the Club House, this site could become a race track very quickly, couldn't it? With the construction of a Club House, this site could become a race track very quickly, right?

MR. RUBENSTEIN: Probably no quicker than any other site.

ASSEMBLYMAN RILEY: The race track is there, isn't that correct?

MR. RUBENSTEIN: The race track is there, but at the same time you would build the Club House--

ASSEMBLYMAN RILEY: The stables are there, isn't that correct?

MR. RUBENSTEIN: That's correct.

ASSEMBLYMAN RILEY: The parking facility is there, isn't that correct?

MR. RUBENSTEIN: No, the parking facility is decayed, sir.

ASSEMBLYMAN RILEY: It is decayed, but it is there?

MR. RUBENSTEIN: Yes.

ASSEMBLYMAN RILEY: So, you could put up a race track fairly quickly, isn't that correct?

MR. RUBENSTEIN: I don't really believe it would be any quicker.

ASSEMBLYMAN RILEY: How many years are you talking about for your grandiose plan?

MR. RUBENSTEIN: We would propose to start constuction in mid-1983 and open in 1985.

ASSEMBLYMAN RILEY: And for completion?

MR. RUBENSTEIN: Well, the total represents a substantial period of time, Probably the entire development wouldn't be completed until 1987 or '88.

ASSEMBLYMAN RILEY: I have no further questions.

ASSEMBLYMAN CODEY: Ms. Kalik.

ASSEMBLYWOMAN KALIK: I have heard your proposed plan previously and it did not include a sports and exposition center. Is this a new addition to the plan?

MR. RUBENSTEIN: No, our plan has always included an area designated for a convention exposition center, not a sports center. We do have a sports center, but it is just for servicing the people on the site.

ASSEMBLYWOMAN KALIK: Would this be open to the public for conventions, or would it only be used for the people within the corporate complex?

MR. RUBENSTEIN: No, it is a proposal setting aside land for development. We believe with good planning, Cherry Hill should have a convention and exposition center. They have the hotel rooms to support it. We have planned that into our program.

ASSEMBLYWOMAN KALIK: And that would be along in the development stage, around '84 or '85?

MR. RUBENSTEIN: Well, hopefully, we can work with the township to do it as one of the early things. But, it is a very difficult financial exercise.

ASSEMBLYMAN CARDINALE: Mr. Rubenstein, you have indicated you have a contract to purchase this property. Now, I understand there is a bankruptcy proceeding which impedes the transfer of title, or limits in some way the transfer of title, to this property. With what entity do you have the contract?

MR. RUBENSTEIN: I have a contract with the Bank of New Jersey that is liquidating trustee under a liquidation agreement -- a liquidation trust. I do not believe there is anything - at least we were advised by counsel that there is nothing that impedes this transfer. We have agreed, along with Bank of New Jersey, to ask for a court approval or affirmation of this agreement of sale.

ASSEMBLYMAN CARDINALE: So, you have, essentially, an agreement with the Federal Bankruptcy Court, or its agent?

MR. RUBENSTEIN: I believe the Federal Bankruptcy Court has already taken a position on that matter and disposed of it, sir.

ASSEMBLYMAN CARDINALE: That's gone. Okay. We have a statement from someone which was placed on our desks, as of the 12th of August, indicating that there is still a bankruptcy proceeding which would have an effect at least on it.

MR. RUBENSTEIN: I have heard of this statement, sir, and I suggest that if you ask the advice of legal counsel, you will find that it is incorrect.

ASSEMBLYMAN CARDINALE: Thank you.

MR. RUBENSTEIN: I would like to introduce, if there are no other questions--

ASSEMBLYMAN CODEY: Yes, Mr. Riley?

ASSEMBLYMAN RILEY: Actually, this question is directed more to Mr. Hyland. I realize you are representing a client in this situation, but we have heard a lot of attacks on the Meadowlands today, and on the Commission, and things like that. Due to the fact that your father is Chairman of the Meadowlands Sports Authority, do you think these attacks were justified?

MR. HYLAND: May I hear the last part of your question?

ASSEMBLYMAN RILEY: Do you think what they said was justified, about the Meadowlands not really being run properly?

MR. HYLAND: Certainly not through any fault of my father. I have heard similar comments, comments similar to those made by Mayor Greenwald.

I think that any large facility in and of itself is going to generate problems because of the generation of additional traffic and the generation of additional people to the site.

I would also point out, in response to your question, the statement of Colonel Pigano within the past several days requesting substantial increases in the amount of State Police for four various reasons, one of which particularly is attributable to the Meadowlands Authority itself and the necessity for additional police at that location. So I think I certainly agree with Mayor Greenwald's statement with respect to the impact upon a local jurisdiction. I say that not only from my understanding of the situation there but also from my previous experience as a City Manager in the State of New Jersey and having some familiarity with the impact of large development in other communities. In my particular case, fortunately the development did not take place; however, I do believe at the same time that the added impact to the State as evidenced by the statements of the Superintendent of the State Police recently as to their needs does indicate that there is a combination of factors that are attributable to any large development. So, that would have to be addressed.

ASSEMBLYMAN CODEY: All right. Mr. Riley, that question seems to be out of line, really.

MR. RUBENSTEIN: May I make a comment that might address itself to that issue? There is a lot of land in south Jersey; we all know that.

ASSEMBLYMAN RILEY: Most of which we can't develop.

MR. RUBENSTEIN: Well, no, a lot of which can be developed in Deptford and Burlington and other counties, and it concerns me greatly to consider the replacement of a race track in a site that is so densely populated around it when it is not necessary. One of the great advantages you have with the present Exposition-Sports Authority that you have in northern New Jersey is that you don't have that dense population in close to the site. I think that is important.

ASSEMBLYMAN RILEY: I am sure your concern for the people of New Jersey is very helpful.

MR. RUBENSTEIN: Would you mind if I introduced my partner? He might like to make some comments.

ASSEMBLYMAN CODEY: Did you have another question, Ms. Kalik?

ASSEMBLYWOMAN KALIK: Mr. Rubenstein, the Currier Post, Thursday, August 6th, quoted you as saying that you would set aside an area within the development where a convention center could be built but that you could not afford to build it, that this made sense in terms of planning but not in terms of financing. That is a direct quote.

MR. RUBENSTEIN: Yes. I believe that a convention center in Cherry Hill today will need some type of Authority support, whether it be through the township or the county or the State. A convention center, based on the experience of those built in the City of Philadelphia and Baltimore, needs public support.

ASSEMBLYWOMAN KALIK: I really think that is what this bill is all about and that is what we are talking about.

MR. RUBENSTEIN: Well, this bill is much more than a convention center. I think you will find that this bill is to take 287 acres for a race track and a convention center.

ASSEMBLYMAN CODEY: Mr. Rubenstein, why would you ask that your partner speak?

MR. RUBENSTEIN: Well, one of the things that has been said over and

over again is, "Well, this development is not going to take place," and I thought it might be helpful if my financial partner said a few words.

ASSEMBLYMAN CODEY: Well, you could address that as well as he could if he is your partner.

MR. RUBENSTEIN: Well, you see I thought he might just say a few words.

ASSEMBLYMAN CODEY: All right. Make it brief, please.

MR. RUBENSTEIN: Mr. Robert Osborne from the Penn Mutual Life Insurance Company.

R O B E R T O S B O R N E: Thank you, Mr. Chairman. Ladies and gentlemen of the Committee, my name is Robert G. Osborne, Regional Director of Mortgages and Joint Ventures for the Penn Mutual Life Insurance Company. I should simply like to state for the benefit of all interested parties that it is with confidence in the integrity and proven development capability of Mark Rubenstein, which he has demonstrated so well to us in the past through prior associations as well as with a great deal of enthusiasm for the development he proposes for the Garden State Raceway site, that the Penn Mutual Life Insurance Company has provided him its commitment to act as a financial partner and to provide the financial resources as needed to acquire the land as well to plan, develop, and operate the multi-use development he proposes, subject to your concurrence as to feasibility. Thank you very much.

ASSEMBLYMAN CODEY: No Questions? Okay. Thank you sir.

MR. HYLAND: Mr. Chairman, may I answer one question that was raised about the bankruptcy proceedings? I have some additional information which I think is important to the Committee.

ASSEMBLYMAN CODEY: Yes.

MR. HYLAND: I have been given a copy of a statement, which I believe has also been given to the committee members this morning.

ASSEMBLYMAN CODEY: Which statement are you referring to?

MR. HYLAND: The statement with I believe was made in the name of Edward Ellis.

ASSEMBLYMAN CODEY: Oh, okay.

MR. HYLAND: It has to do with the impediment, as you refer to it, of the bankruptcy proceeding. It is our understanding, and I have had this confirmed from the solicitor of the Township of Cherry Hill as well, that there is an order from the Bankruptcy Court permitting the property to be sold. So, for that reason it is our opinion that there is no impediment to the sale.

I would also point out to the committee that the Chancery Division of the Superior Court in Camden County is scheduled to commence its hearings and deliberations on September 15th with respect to the approval of the contract with Mr. Rubenstein and the Garden State Racing Trust.

Mr. Chairman, the only other comment I would add is, we very strongly feel that we are not so much in opposition to the concept of a racetrack if a racetrack, in fact, is economically feasible, or for that matter if a convention and exposition center is economically feasible. Perhaps it is. We feel, however, that this particular site offers the potential and the possibility for private development, which in the long run is going to be significantly greater to the entire region.

This is not a whim. This is not one of the so-called "many proposals" that have been received. You just heard confirmation that all the financing is in fact in place. Once the confirmation of the sale takes place and our

zoning approvals are obtained, we are ready to proceed forward. In fact, Mr. Rubenstein has expended substantial monies, in six figures, to already plan and engineer the site. This is certainly by no means a whim and we would certainly share and support the suggestion of Assemblyman Shusted - and a suggestion which I hope other people will bring forward as well - to at least, if a bill is to be adopted and if that bill is to contain the power of eminent domain, let the local municipality have some say, some approval, and make it some contingent type of eminent domain, if you will, which I think because of the specialized nature of racing and the use and the portion of the community to which it will cater is not entirely an inappropriate idea. Thank you very much.

ASSEMBLYMAN CODEY: Thank you, Mr. Hyland.

Is Mr. Phil Tannenbaum here?

P H I L L I P B. T A N N E N B A U M: My name is Phillip B. Tannenbaum. I have been in the real estate business in Camden and Cherry Hill, and also now in Atlantic City, since 1946. I am sorry I couldn't be in it at the time the racetrack was built but I happened to be in the service and I didn't get out until 1946. So, I came in four years after the race track.

My specialty over the years has been the sale of operating businesses, commercial businesses, and development properties, and over that time in south Jersey I have sold over \$350 million worth of property. That represents a very large sum. In the same period of time, I was recognized as a qualified appraiser by all the judiciary courts and the bankruptcy courts. I have been called upon to give appraisals. I am a business consultant. The most important factor is I wear two hats.

About 29 years ago I got involved in the motel-hotel-restaurant operation in Cherry Hill. Today I own 400 units in Cherry Hill and the surrounding area, and two Best Westerns. I used to operate Henry's, which was a famous restaurant in Cherry Hill, right across from the racetrack. For many years it was one of the finest eating houses. Today, I own 850 rooms on a beach block in Atlantic City. I became very much involved there about three years ago. I sit on the Blue Ribbon Committee with Joe Lordi today, on a committee that was organized to upgrade the Convention Hall and also upgrade tourism for Atlantic City. There are eight of us on that committee. We have just approved a \$175 million allowance to upgrade that hall and create more exposition space. So, I think I am qualified to speak as a businessman on the impact -- on what would happen to this particular site if it was a racetrack and what would happen to this particular site if it was done by private enterprise.

What has really happened is, I am qualified to say I remember the hayday of Cherry Hill when you couldn't get rooms at the Cherry Hill Inn; when we were doing over \$60 or \$70 million worth of business in the restaurants within a 7 or 8 mile radius of the racetrack; when all the motels - we have 6,000 motel units in the area today within a 10 mile radius - were operating at an 80% or 90% occupancy rate; and when the so-called shopping centers, such as the Cherry Hill Mall, were built in the area. We had a flourishing business, and I think Cherry Hill became a byword in the country. Everybody knew where Cherry Hill was because we had the Latin Casino, we had the Race Track, we had the Cherry Hill Inn, and we had a vibrant community which grew from the fact that there was a suburban move from the cities.

Now a strange thing has happened to Cherry Hill. Fifty percent of

the so-called gourmet restaurants are closed or operating as something else. The so-called restaurant business has dropped down to maybe \$25 million instead of \$60 million. The motel occupancy, or hotel occupancy, is down to 60% instead of 85% or 90%, and the shopping malls are off 20%.

Now, we are out on the street selling today, so we know these figures. Sometimes people at this level can't see the forest for the trees because it doesn't get down to the level of business.

There certainly is no need for any high-rises because we have four of them in bankruptcy of the few that were in Cherry Hill. Due to the fact that we are only five miles away from the metropolitan Philadelphia area - or we are in it - which is getting back to the urban movement, with high-rises going up in Philly, this does not assume that any of them will come back to Cherry Hill. The movement is the other way.

I don't think that private enterprise, regardless of how ambitious Mr. Rubenstein is - and I certainly applaud anybody who is ambitious because I have been all my life - with what he is going to do, will ever make that 286 acre tract go. I think that the fact remains that since business is going down and not up, the so-called facility which is planned there is not the best usage for that 286 acres. Since it is five or six years away, or maybe more due to the economy, we need something to happen to Cherry Hill today or tomorrow or within the next year to help the business people there who are in trouble, the people who have problems paying their taxes. The real problem is not these so-called taxes. The energy cost of operating motels and operating businesses has been so great that if they haven't been able to go up instead of down, they have some real problems. You might see many more restaurants closing up in Cherry Hill.

I am just wondering, as an expert, whether Cherry Hill can operate as a community of homes as opposed to a total community which encompasses what it was, a community of hotels, a community of restaurants which we were well known for for many years, a community that has entertainment, and a community that has these so-called office buildings that we have also. I haven't seen any additional building going on in the last three or four years that is of any consequence in Cherry Hill. In fact, there is a five to ten million dollar inventory of unsold homes because the homes in the eighty or ninety thousand dollar category are impossible to buy based on the 16½% or 17% interest rates. People would have to make astronomical salaries, and that area, in my mind, is still a blue collar area. It is not like City Line of Philly, where you have 250, 300, or 400 thousand homes; it is a blue collar area.

So, consequently, I think there is a need for this bill if it tacks on to a convention facility. This would be very important because a convention facility would certainly bring people into the area. We have the room. We have 6,000 first class rooms there. We have something that neither Philadelphia nor Atlantic City have and that is parking. I mean, we can bring cars in there. We are five minutes away from the City there. We have a series of roads that can get people in and out of that area quickly.

Talking about the traffic, I was across the street at Henry's and that track used to empty out in an hour. Now, I have been to Monmouth and have seen it take two and one-half hours to empty out. So, the road facilities are very much better, although I am sure the State will provide other roads for the track. My interest is in the convention facility. If this bill passes, a convention facility will help the businesses in Cherry Hill. I am a businessman in Cherry

Hill and a taxpayer in Cherry Hill. I have some very viable businesses operating there, forgetting my Atlantic City operations. I believe that everyone here is interested in whether they are going to be in business two years from now or whether they are going to be out of business. I think that it is important to see that this bill passes.

Now, in Atlantic City - and this might just be something that you might think about over here - we have an umbrella committee along with the so-called blue ribbon committee, which supervises the Convention Hall and the tourism that we have in Atlantic City. That umbrella committee is comprised of one person from the State, one person from the City, and five people from the private sector, and it could encompass anyone that would be involved with that particular authority -- maybe one person from the motel industry, or whatever it might be. I am sure that the project could be very well monitored. I know that somebody has said that a lot of things might happen that they don't want to see happen. I want to say one more thing. I go back to that area from 1914. I don't know whether anybody in Cherry Hill goes back further than that. I remember when Cherry Hill was on the "other side of the tracks" and the only thing that was in Cherry Hill was some houses on State Street and on Kennelworth Avenue, and the town that was really there was Merchantville which was a well-built-up town. So, I am a native of the area. I have seen it grow. I have helped to develop it. And, I think the best usage for this particular piece of ground - and I speak as an expert - is, if this bill passes, we develop a convention facility along with it as soon as possible. Thank you, Mr. Chairman.

ASSEMBLYMAN CODEY: Mr. Robert Levy of Atlantic City Race Track. Mr. Levy.

R O B E R T L E V Y: Mr. Chairman, gentlemen, ladies: Atlantic City is coming to you today, not like we have in the past; we are coming to you as a viable, operating race track. From our low point in 1979, over the last two year period, Atlantic City will lead the nation in up in handle in all tracks of our size or larger. Our figures, over the last two year period, look to be up 35% over our '79 figures. We are continuing to show increases every day and the future looks very bright. As I said, we are now a going, profitable operation, which we were not two years ago.

We have spent a lot of time, effort, and money studying the Garden State situation, as have many others in private enterprise. The situation has changed drastically since Garden State burned down. But, we have studied the Keystone situation, with the overlap of dates, the Meadowlands situation, with the overlap of dates, and as recently as May, 1981 we engaged one of the big eight accounting firms to do a detailed study of a projection of \$200 million in handle at Garden State -- a new Garden State. At a one-half percent takeout to the State of New Jersey, which is what is proposed in this bill, the interest on the bonds - the interest alone - would double the cash flow that could be generated from a new race track. That is not speaking of amortization; it is strictly interest. The Authority would, in effect, be selling defaulting bonds to the public. The taxpayers in the end will be forced to pick up the pieces. And, all and all, economically it is not a good situation to build a racetrack in New Jersey today at today's costs, at today's business, in any location. As a matter of fact, I don't think, and most in the industry agree, that it is economically feasible to build a racetrack anywhere in the northeast with the situation the way it is.

So, in effect, what you would be getting is a situation where bonds would be sold to the public, the bonds would end up in default, and the public would have to pick up the pieces.

Now, south Jersey, right now with the racing situation the way it is - us improving, looking for more days, hoping to increase our days in the future - does not really need another racetrack. Last winter Garden State opened at a great expense to the horsemen and approximately 300 horses were stabled there. These 300 horses, for the most part, were horses that were not taken when the other two Jersey tracks opened this Spring. So, in effect, there is not really an abundance of horses running around right now for racing in south Jersey at the time that Garden State has proposed to run. There are not enough people. There is not enough of anything.

Now, my good friends in the Mutuel Union - and they are good people - are going to say, and rightfully so, that many jobs will be created by a new race track in south Jersey. Not only will jobs be created, but there are ancillary jobs also including the stable area jobs and everything else. But, all these jobs do is to replace the jobs that are now being offered at Atlantic City, because Atlantic City as a private enterprise will not be able to survive against public enterprise in Cherry Hill, which is less than 40 miles away. There is not enough business in south Jersey for two race tracks. It does not make sense. It just is not going to happen. So, although many new jobs will be created at Garden State, many old jobs - an equal number - will be lost at Atlantic City. So, the job situation is strictly a tradeoff.

We feel very strongly that two years ago it would have been very tough for me to come before you people and say this because we were not doing well. We had a lot of problems. We now come to you as a profitable operation, an important part of the south Jersey economy, and an important part of the State's economy and say to you that we do not feel it is an economical situation, where we should build a racetrack at Garden State. If anybody was going to do it, the Garden State people who received the insurance money, or ourselves, should have been the ones to do it. I know we studied it and I am sure they studied it. Both of us have come to the same conclusion. If the State wants to come in and subsidize a losing operation, then they are going to subsidize it at the expense of private enterprise and the stockholders at our property. Thank you.

ASSEMBLYMAN CODEY: Okay. Mr. Riley.

ASSEMBLYMAN RILEY: Mr. Levy, didn't this Committee, not too long ago, just give your Atlantic City Racetrack Racing Association a substantial increase? I believe we changed the percentage for Atlantic City, isn't that correct?

MR. LEVY: Not in the last two years.

ASSEMBLYMAN RILEY: The last two years? I thought it was a couple of months ago.

MR. LEVY: No. The only thing that was done this year was that the breakage was guaranteed to maintain purses, but the way our business is now very little of that breakage is being used.

ASSEMBLYMAN RILEY: We did that at your request.

MR. LEVY: That was at the horsemen's request.

ASSEMBLYMAN RILEY: You keep saying, "build another track." We are not talking about building another track. We are talking about building a clubhouse and a convention center, isn't that correct?

MR. LEVY: Mr. Riley--

ASSEMBLYMAN RILEY: The track is there, isn't it?

MR. LEVY: I know from your background that you know the property well.

ASSEMBLYMAN RILEY: Yes.

MR. LEVY: In our opinion, the stable area is in such a state that it would have to be completely rebuilt, practically from scratch. The parking lots would have to be entirely re-done and totally repaved. The only thing that is there is a race track, as such. In other words, it is an oval. And, the proposals I have seen make that both a harness and thoroughbred track, so in effect that will have to be re-done, and that total cost of the race track in the whole project is probably 2% to 3%. The oval is there.

ASSEMBLYMAN RILEY: Do you think that any part of your profitability now coming in for the last two years is first because of the legislation and second because of maybe a few more people coming to Atlantic City?

MR. LEVY: Oh, there is no question that the area around Atlantic City is growing.

ASSEMBLYMAN RILEY: And those people from Atlantic City are not going to drive to Garden State if Garden State opens up, rather than just coming across the--

MR. LEVY: Will they go? Sure they will go to Garden State.

ASSEMBLYMAN RILEY: Atlantic City is still-- Why wouldn't the people from Atlantic City, if they are still in Atlantic City, still use your track?

MR. LEVY: Because I would say that 40% of our market is from the Cherry Hill vicinity. It is true that we are not getting the Philadelphia business anymore, because south Jersey just doesn't seem to. But, between 35% and 40% of our business comes from the Cherry Hill area.

ASSEMBLYMAN RILEY: Which racetrack would be most impacted by the Garden State Racetrack opening? Wouldn't it in fact not be Atlantic City but in fact be one over across the river?

MR. LEVY: No, I don't think so. I think the one across the river runs 200 days, which easily could go to 300 and they don't do the kind of business, or have the kind of investment in their plant that requires the kind of business to be even competitive with Garden State.

I don't have any knowledge of what their plans would be, but I know that the impact on us would be that we would be put out of business.

ASSEMBLYMAN RILEY: This is sort of a side comment from me as the last question. It seems that anyone from the Atlantic City area coming in front of this Committee must all go to school, because whether it is the casinos or now even the Atlantic City Racetrack coming in front of this Committee everybody claims bankruptcy if we do anything. I just wonder.

MR. LEVY: We are not claiming bankruptcy now. We are saying we are a viable, going, profitable racetrack, but if we are forced to compete with public funded money we would be forced into bankruptcy.

ASSEMBLYMAN RILEY: Didn't you exist with Garden State before?

MR. LEVY: In an entirely different situation, and things have changed so much since Garden State burned down that you can't even compare it.

ASSEMBLYMAN CODEY: Are there any other questions? (no response)
Thank you very much, Mr. Levy.

MR. LEVY: Thank you, Mr. Chairman.

ASSEMBLYMAN CODEY: Frank O'Keefe, General Manager of the Cherry Hill Inn, is he here?

G E O R G E S P R I N G E R: Mr. Chairman, I am George Springer, the Managing General Partner for Cherry Hill and I ask to speak instead of our General Manager.

ASSEMBLYMAN CODEY: Fine.

MR. SPRINGER: Thank you. Mr. Chairman, members of the Committee, I am George Springer of Cleveland, Ohio, and I am the Operating General Partner of the Cherry Hill Inn, which we purchased on December 31st in 1980. My company, the Springer Group, owns and operates sixteen inns, of which Cherry Hill Inn is one. We have, in addition to that, eight Sheratons, three Hiltons, two Howard Johnsons, a Holiday Inn, and a Marriott. These are located in New Jersey, Ohio, Indiana, Michigan, Tennessee, and Arizona, and we have a total of 4200 hotel rooms. I tell you this only to establish the fact that I am in the hotel business and to establish the fact that I think at least I should know it if I don't.

We paid six million, three hundred thousand dollars for the Cherry Hill Inn in 1980 and we have obligated ourselves to spend an additional two million on rehabilitation, of which we have spent, to date, one million five and have another five hundred thousand dollars to go.

In the six months that we have owned the Cherry Hill Inn, I have become very familiar with it. I have become very familiar with meeting a payroll of a million and one-half dollars a year and paying taxes of two hundred and sixty eight thousand, plus sales taxes and so forth.

I have also gotten to know, though, the other hotels in the Cherry Hill area and I have gotten to know the hotel industry in Cherry Hill pretty well. I must tell you that none of us are doing very well. During the week, we all cut up the business. The commercial business is there from RCA, Minneapolis-Honeywell, from Campbell Soup, and we don't see that this particular business is going to increase particularly in the years to come.

On the weekend we all die. Everyone seems to either go to the shore or they go to Atlantic City, and in our opinion what Cherry Hill needs is a whole new attraction to bring people to Cherry Hill. I feel strongly that the Garden State Track would enable us to bring additional people to the area in the form of regional or state meetings. This is why it is also so important to us to hear and see the preliminary plans for the Sports Complex and the Exhibition Hall.

With this kind of a facility, we have a tremendous potential in the market. If the Sports Center or the Exhibition Center totals two hundred thousand square feet, which is what has been talked about, it would satisfy about ten thousand people, in addition to the people who are using the track. This is a tremendous potential market for hotels, for restaurants, and I also think the shopping mall in the area.

As an employer, the Cherry Hill Inn has today three hundred employees. I can guarantee the day after the track opens and the sports center opens, the Cherry Hill itself will have six hundred employees. In other words, it will increase our employees by one hundred percent. There is no question in my mind that that would be true of the other hotels also.

I, as an individual, have heard the comment about private enterprise. I certainly, as a private enterprise individual, couldn't be more enthusiastic but I have also learned there are certain things that private enterprise cannot do, and in my opinion they cannot, fast enough, do something with this site that would help a very sick industry, and in our opinion help the immediate area.

I am involved, or have been involved since 1980, with the refinancing

of some thirty two million dollars in hotels, and I only say that because we deal with the same people that the gentleman before me deals with, not from the standpoint of the para-mutuel, but I am talking from the standpoint of Aetna, and Metropolitan, and Equitable, and I know that at least as far as the hotel industry is concerned there is no way today that you can get a hotel loan. Since the shopping malls deal with the same people, I have a feeling that is probably the same. There is no question that these companies come and look, there is no question that they will write the letter and say, "if there are certain tests made, or certain studies made, we may be interested," but to get the loans today is another story. In our opinion, I don't think that any private individual is going to get a substantial loan in Cherry Hill, and I don't care what kind of business it is. What we need today is something that is going to help us immediately, something that is going to help in the months ahead, not something that may happen four or five years down the road.

I appreciate the opportunity to speak to you, and that is as much as I have to report.

ASSEMBLYMAN CODEY: Do you have a question, Mr. Riley?

ASSEMBLYMAN RILEY: Just one brief question. What help would a shopping center across the street - you are directly across the street-- What help would a shopping center, a new shopping center-- Say you have one on the right hand side, what help would one on the left hand side be to your business or to anybody else in the hotel business?

MR. SPRINGER: It would have very little impact.

ASSEMBLYMAN CODEY: Thank you, sir.

Mr. Sam Fieramosca of the HBPA.

S A M F I E R A M O S C A: Mr. Chairman and members of the Committee, my name is Sam Fieramosca. I am Secretary-Treasurer of the New Jersey HBPA. This is a horesmen's organization which has approximately 3,000 members racing in our State, of which approximately 1,000 are New Jersey residents.

After four years of utter frustration, we still find it incredible that the Governor or the Administration or the Legislature has been unable to reestablish racing at Garden State Park, either through the private sector or through a state operation. It is generally agreed, or unanimously agreed, within the industry that in order to survive we must have year 'round racing. Stables cannot afford to race five or six months in an area and then pick up and move. We have to have year 'round racing.

Believe it or not, we are a crisis right now. The Pennsylvania Legislature is considering, and probably will pass within a very short time, legislation which will enable them to have year 'round racing with purse increases. You have all heard what is happening in New York with their tremendous purse program and year 'round racing, and their tremendous breeder's award program. We are at a crisis and if something isn't done soon, I don't know where we will go.

Just to give you a couple of statistics, in the last four years the amount of purses for the horsemen that would have run at Garden State Park if it were in operation, amounts to over thirty-six million dollars. The amount that the State would have received is around twenty-two million dollars. The amount of breeders awards, and I am sure someone else will speak about that later, is approximately four million dollars that has been lost to the State, over sixty million dollars that could have been utilized in the State.

There are other considerations and other jobs, the blacksmiths, the

veterinarians, and all the other people who work in the industry and who are connected in some way.

Several years ago, when HBPA saw that we were headed toward year 'round racing, we did, at considerable expense, establish a pension plan for our backstretch people. It is a qualified pension plan. There are only two states in the country that have it. We are the only state that pays retirees. Why did we do it? We did it because we felt with year 'round racing in the state we wanted to attract, by having a pension plan, by having insurance programs, by having benefits for our backstretch people and trainers, the best possible people for our state. They would feel confident in staying here and working here year 'round. Since the fire, all of that has gone amiss.

It is quite evident, and you have heard it said before many times - I have been before you before - that racing, top class racing and breeding, in this state cannot exist without year 'round racing.

Now, hopefully-- And we are grateful that through your Committee and through your initiative you can get something done, because I believe that an exodus has already started. There have been people waiting in the wings for the last two years, breeders and people who have stallions and who would like to establish them in this state. They are just waiting. They have no more confidence because there is no year 'round racing.

Finally, the reestablishment of first class racing at Garden State, I am sure, within a very short time, combined with top class racing at the Meadowlands, Monmouth Park and Atlantic City will bring New Jersey back to the forefront as a major racing state. We have the right to this and we have the capability, through your understanding and leadership to be a major racing state again. Thank you.

ASSEMBLYMAN CODEY: Do you have any questions, Mr. Riley?

ASSEMBLYMAN RILEY: Just one. Mr. Fieramosca, what would you say to Mr. Levy's statement that if you rebuild Garden State you would put him out of existence, so for the racing community you really would not have done that much?

MR. FIERAMOSCA: I don't agree with it. Mr. Levy said - if I remember correctly - that things are very much different now, but the way I understand it, if Garden State were to be rebuilt again it certainly would not be running concurrently with Mr. Levy's stakes. Mr. Levy is running concurrently with Monmouth's stakes. I would assume that Garden State would run in the Spring or Winter and early Spring, which would not conflict with Mr. Levy. That would give us our circuit.

ASSEMBLYMAN CODEY: It may not conflict in terms of thoroughbred racing, but it would conflict in terms of racing, whether that racing would be in terms of thoroughbred or harness it would still be a conflict in terms of getting patrons.

MR. FIERAMOSCA: No, I don't see it that way. I think it would help the overall situation in New Jersey. It would provide ample opportunity for the New Jersey breeders and the Jersey people to breed and test their horses at Garden State Park, which would be the early part of the year, and then go to Monmouth Park and Atlantic City, as we are doing now. Then that supply of horses would go to the Meadowlands.

ASSEMBLYMAN CODEY: Yes, but I was talking in terms of patrons. Most patrons who go to a racetrack are not that concerned over whether it is harness or flat, they just go to a racetrack because they like to. I think it would

be in terms of competition for patrons not competition in terms of flats or harness racing.

MR. FIERAMOSCA: Well, I think there are thoroughbred patrons and I think there are standard patrons.

ASSEMBLYMAN CODEY: Oh, I agree, but I am saying that the overwhelming majority of patrons--

MR. FIERAMOSCA: I think the majority of the market supply for the Garden State area is in Philadelphia, and Mr. Levy said he gets most of his people from the Cherry Hill area. I don't quite understand that. So, I don't see the competition there. I think the reestablishment of Garden State Park would do well for the whole circuit and we need it desperately. If we don't have it, the millions of dollars that the State of New Jersey has given to purses and to improve a breeders award program will be of no avail because we have cut off part of the circuit.

ASSEMBLYMAN CODEY: Mr. Riley, do you have any further questions?

ASSEMBLYMAN RILEY: No questions.

ASSEMBLYMAN CODEY: Thank you very much Mr. Fieramosca.

We will go into recess and reconvene in an hour. I just want to read off a couple of the witnesses who will lead off when we return: Mrs. Burnstein, George Norcross, Bill Eggeling and Thomas Ober. So, as I said, we will reconvene in an hour. Thank you.

Afternoon Session

ASSEMBLYMAN CODEY: I would like to get started now. Our first witness this afternoon will be Frances Burstein, Executive Director of the Cherry Hill Chamber of Commerce.

F R A N C E S B U R N S T E I N: Mr. Chairman, ladies and gentlemen of the Committee: Mr. Chairman, I would like to thank you for honoring your pledge to hold a public hearing on A 275 prior to any Committee action. It is certainly in the best interest of all parties concerned, those in favor as well as those opposed, and certainly yours as representatives of the State of New Jersey, to give all of those interested the opportunity to express their views. This is obviously a highly controversial issue with a great deal at stake and all sides should, indeed, be heard.

We are discussing and you will have to vote on an issue that goes beyond horse racing or bricks and mortar. The vote of this Committee - and perhaps eventually both legislative bodies of the State of New Jersey - will affect the lives of thousands and thousands of people. It will affect their jobs, their homes, their businesses, and the ramifications go on endlessly. It will affect too the character of an entire township - that intangible that determines property values, that intangible that attracts or detracts business and industry, that intangible that makes a town a place the people want or don't want to live in, to work in and to raise their children in, that makes a community thrive or stagnate and wither.

I am fully aware that A-275 is to be amended to delete any specific reference to Garden State Park or Cherry Hill Township. However, being reasonable men and women, we all have recognized that the Garden State Track is the primary site to be considered for the new racetrack, and for very practical reasons. It is recognized as among one of the best tracks in the country and to develop the facilities that presently exist at Garden State would cost millions and millions of dollars elsewhere. So, with those facts as given, please allow me to address the issue of a South Jersey Sports and Exposition Authority in Cherry Hill Township.

The concern of the Board of Directors of the Cherry Hill Chamber of Commerce is for the welfare of the community of Cherry Hill, including obviously the business and professional community. If that is viewed as a professional attitude, then let it be so, for all of us today have vested interests to some degree. Our vested interest is in the welfare of our township.

I would suspect that if a State-controlled authority to operate a race-track and an exhibition center in your towns were proposed, you would be similarly concerned.

To clear up any misconceptions, the Cherry Hill Chamber of Commerce is not opposed to racing or to a convention center. We are decisively opposed to a State Authority doing so. This issue has been clearly addressed by our members on two separate occasions; in May 1978 and again in May 1980, our members told us through two separate surveys that they opposed any State ownership and/or operation of that site, favoring the development of that site by private enterprise. Let me add that the first survey that was taken in 1978 was addressed not only to our members, but to the entire business community.

It was private enterprise that developed Garden State Park originally and the private sector can redevelop that site. What happens to that 287 acres impacts on surrounding properties to an enormous extent. It is today in the center of a highly, densely populated area. It impacts on all of our major traffic arteries. It impacts on every single property owner, residential or commercial, and on every single taxpayer.

Inherent in a State Authority is the power 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, including "by exercise of the power of eminent domain any land and 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 land and other property, including public lands, reservations, highways or parkways, owned by or in which the State or any county, city, borough, town, township, village, public corporation or other public subdivision of the State has any right, title or interest," etc., etc. - and I have been reading directly from A-275 - power so broad and uncontrollable as to allow the authority to acquire adjacent, existing properties and streets and roads. What we must remember and what has been said earlier is that Garden State is not the Meadowlands. Cherry Hill Township is not East Rutherford. Garden State is surrounded by existing properties and thriving commercial and office properties. Should the authority choose to expand or to acquire additional property, it could spell disaster for those properties.

Should the authority, for example, decide to reroute traffic at the entrance to Garden State Park on Chapel and Haddonfield Road, Cinelli's Restaurant, one of Cherry Hill's finest, could be gone.

Should the authority decide that Chapel Avenue needs to be widened, it could conceivably take the property of the Cherry Hill Inn, one of the most beautiful properties in Cherry Hill Township, for we would have no local influence, no local control, no respect for the citizens or the government of the local community. The very community in which the State authority operates has no control. The operation of that facility is rather controlled by individuals, State appointed, who live, work or own property elsewhere. They may meet monthly in Trenton for a few hours or, if we are fortunate, perhaps meet on the site and then they drive home. They don't live with the problems.

Developed by private enterprise under local control, subject to local township and county zoning and planning and building codes, we at least have a voice. As an example, John Rocco stated earlier, in 1975, when there was a problem with the racetrack and the starting times and traffic was dumping out at the height of our rush hour and impacting on our roads, we were able to go to the then private owner and influence him to adjust those starting times, thereby relieving the traffic burden. With an authority, we don't have those same options. An authority may operate the complex totally under the jurisdiction of the State-appointed members with total disregard for the citizens of the township and the county in which it functions. It may regard or disregard the wishes of those citizens as it sees fit.

This bill provides, as it is presently written, that such revenues received by the authority shall be dispersed in the following order: (a) the cost of operation, (b) payment to bondholders, (c) cost of repairs or improvements to facilities, and (d), item number four in that order - and the bills says - "as money is available, make payments to the municipality in lieu of taxes" - "as money is available." What happens if the track is, in fact, a losing proposition? What happens to the funds in lieu of taxation? Where is our protection?

When Garden State was in operation, it had 100 days of racing. Under the State Authority, 200 nights or days is the minimum, or could it be 300? Two hundred days allowing for weekends is 300 days. That is year-round racing. Should that present a hardship to local residents, what is our recourse? If authority members are not responsive to our problems, to whom do we turn? Authority members can't be voted out of office.

I doubt very seriously that any of you would feel comfortable with an

authority operating a site so large and so vital to the character of the community in which you live. The authority is not held accountable for property taxes in the same manner as private development. The authority may, but is not required, to compensate the municipality or the county for other related expenses, such as police, fire protection, ambulance service, traffic control, court costs, etc. If legislation creating a South Jersey Sports and Exposition Authority is signed into law, this authority will have unlimited power to seize any site it chooses, to borrow as it chooses, to build as it chooses, expand and operate as it chooses, notwithstanding any community, municipality or county objections. And we have seen that very thing happen in East Rutherford. If you haven't already, I do suggest that you ask the people in East Rutherford how they feel about that.

We talk about new businesses in the area and what has the impact been on Cherry Hill since the track burned. Let me tell you that I speak from a rather educated position, having been the Deputy Mayor the day that the track burned and having been with the Chamber of Commerce since 1977. In the interim since the track has burned, there have been approximately 500 new businesses that have opened up in Cherry Hill Township, many in the perimeter of the track. There have been a number of new and prestigious restaurants. There have been two very fine restaurants that have been there for years that have expanded. These people have made substantial investments in their properties in this town, without the racetrack having been there.

Certainly, the track and the exposition authority will be of benefit to a number of businesses. I would suggest that some businesses will be helped; perhaps some might be hurt.

Somewhere between the burned-down Garden State site that has already laid vacant for four years for reasons beyond our control - somewhere between that and an all-powerful State authority lies a compromise. And the Cherry Hill Chamber of Commerce believes that that compromise for Cherry Hill Township is private enterprise and local control.

We respect the wishes and the needs of all of our local businesses, particularly those who feel that they will benefit from a Sports and Exposition Authority, those who are as anxious for a convention center as we are. Many of those businesses are, indeed, members of our Chamber. We share their concerns and are mightily interested in their welfare. We are not, in fact, in disagreement with their aims and goals. Where we may differ is the means to that end. Recognizing that A-275 does not specifically refer to Garden State Park or to Cherry Hill Township, or may not in its final form, but neither does it exclude the Garden State, our Board of Directors feels it must, therefore, oppose A-275 and respectfully request your consideration. Thank you.

ASSEMBLYMAN CODEY: Any questions? Mr. Riley.

ASSEMBLYMAN RILEY: Mrs. Burnstein, you represent the business community in Cherry Hill, is that correct?

MS. BURNSTEIN: Yes.

ASSEMBLYMAN RILEY: In your opinion, what site would be the fastest to develop to promote business? Would it be the re-establishment of the racetrack or this mall-condominium, etc.?

MS. BURNSTEIN: Are you asking me the fastest or the best?

ASSEMBLYMAN RILEY: The fastest to generate money into Cherry Hill.

MS. BURNSTEIN: I am not entirely sure that if the issue of Mr. Rubenstein's proposal were not ---

ASSEMBLYMAN RILEY: My question is very specific: What would be the fastest?

MS. BURSTEIN: I am trying to answer your question. If, in fact, the litigation surrounding Mr. Rubenstein's proposal were not resolved very quickly, that might not be able to be expedited as quickly as a Sports and Exhibition Authority.

ASSEMBLYMAN RILEY: You have heard earlier testimony from the people, for instance, from Cherry Hill Inn, which you think may be removed if the track goes there. Part of the testimony from several witnesses has been the hotel vacancy rate in the Cherry Hill area since the track burned down. The testimony has been that the vacancy rate has vastly increased. Would you agree with that?

MS. BURSTEIN: I am not entirely certain. I certainly can't dispute the opinions of the owners of the properties and the managers of the properties. I do know that the weekend business has been hurt very, very badly. I am certain it has probably hurt them to some degree. To what degree, I really can't tell you. I am not familiar with their numbers. What I see is that the Monday through Friday business is not business that has ever been generated by the track, rather it is business people who are coming into the area for regional meetings or to visit their own corporate headquarters or to do business in the area. It has been my experience, and from talking to the hotel managers that I have spoken to, that the people who came to a racetrack - and I do not mean to argue for or against a racetrack and I must make that clear before I complete my response --- Our Chamber has never opposed the return of racing. But if you are asking me how it affects the hotel industry, in my opinion, I would have to tell you from my experience and my conversations with hotel managers, the people who came to the racetrack, with the exception of the owners and the breeders and the trainers and the people who worked there - but the people who came in because the racetrack was there did not stay overnight in the hotels.

ASSEMBLYMAN RILEY: Don't you remember when the racetrack was open - or is my memory that bad - the Holiday Inn, the Rickshaw, the Cherry Hill Inn, and the little motel next to the Rickshaw were overflowing during the week when the track was open? Isn't this different than today when they are anything but overflowing?

MS. BURSTEIN: Some of those hotels certainly had breeders and trainers and jockeys and people associated with the track, who were staying in those hotels. There is no doubt about that. I don't dispute that.

ASSEMBLYMAN RILEY: Are they members of your association?

MS. BURSTEIN: Yes. I can only tell you about my conversations with hotel managers who were there at that particular time and many of our hotel managers were not here when the track was operating. I can only tell you what they have told me; and that is, that those people who came for a day at the races did not stay overnight, they didn't check in for two days and they didn't check in for three days. Does that mean that a track won't benefit the hotels at all? No, I don't mean to give that impression at all.

ASSEMBLYMAN RILEY: Let's go to a second major area you mentioned, restaurants. Eliminating Roy Rogers and Victoria Station, except for those, what major restaurants have come in that were not planned prior to '77? I know those built in '77 and '78 were planned before the track burned. So we can separate those. What has come in since then versus what is there today? It seems to me that a lot of the restaurants have lost a lot of business. It doesn't seem to be too hard to find a table at most of the restaurants in Cherry Hill today?

MS. BURSTEIN: The Rusty Scuper, Victoria Station, Boston Tea Party, the Greenbrier, which is a case in point and a little bit later on I hope you will be able to hear a statement by the owner of the Greenbrier. The Greenbrier is directly

across the street from Garden State Park.

ASSEMBLYMAN RILEY: It was there before too.

MS. BURSTEIN: Yes, that's right. Only this year, it has completed a major expansion. An awful lot of money has just gone into that restaurant. That owner will tell you that he thrives and does better without the racetrack than he did with the racetrack.

ASSEMBLYMAN RILEY: You referred to a '78 and '80 poll of members. This bill was not introduced in '78. So I don't want to talk about that one. Let's talk about the 1980 one. Several business people from Cherry Hill have told me that this poll was of the Board of Directors, not of the membership of Cherry Hill in 1980. Is that correct?

MS. BURSTEIN: No, that isn't.

ASSEMBLYMAN RILEY: Since this bill has been introduced, has there been a poll of the members?

MS. BURSTEIN: To answer your question, no, that is not correct. The poll was taken of all of the members. I am not entirely sure whether A-275 was proposed at that time. More than likely, it was not. However, there was a good deal of speculation that the State planned to come in and take over Garden State Racetrack. It was on that assumption that we went out to our members and said, "How do you feel about a State authority or a State takeover of any kind?"

ASSEMBLYMAN RILEY: You are talking, right now, of the opinion of the Chamber of Commerce; you are referring to the Board of Directors which has been the most recent type of a poll.

MS. BURSTEIN: The Board of Directors' opinion is based on the survey that was taken by the members. I have to clarify that again before I am put in a position of supporting or opposing a racetrack because I don't mean to do that. You can put me in a position of arguing anything, and I will with you. What our members told us was that they favored racing, but what our members clearly told us was not by the State of New Jersey - not by an authority. That is what I am telling you today.

ASSEMBLYMAN RILEY: Do you think this Committee should consider something good for Cherry Hill or something good for the State of New Jersey and South Jersey in general?

MS. BURSTEIN: I think you have an obligation to consider, I suppose, what is best for the State of New Jersey. I can't argue that.

ASSEMBLYMAN RILEY: Thank you.

MS. BURSTEIN: However, you asked me a question. I would like to be permitted to answer it. However, as a Chamber of Commerce supported by local business organizations, I think that we have an obligation to do what is right and in the best interest of our members in the same way as our Mayor is obligated to do what she thinks is right and in the best interest of her community.

ASSEMBLYMAN CODEY: Any further questions?

ASSEMBLYMAN SCHUCK: Mrs. Burstein, this is somewhat controversial in your organization. You are right, all members of the Chamber do not support your stand; obviously, the poll did. But the poll had a question that said: Do you favor a State takeover? What do you think your members would say if the only way we could have racing there is by a State-operated agency? Do you still believe that the members of the Cherry Hill Chamber of Commerce would be opposed? There are two ways of putting that question. One, as a State takeover, it has such a connotation that if it came to me I would probably be against it as most people would if you phrase it that way. But I believe if you had said in that question that the only way that you could have racing there - and most people in the poll,

as I understand said they thought racing was good ---

MS. BURSTEIN: Yes, they did.

ASSEMBLYMAN SCHUCK: If you had said that the only way you could have racing is by a State-operated agency, do you in your opinion believe that most of the members would have agreed?

MS. BURSTEIN: I have to answer your question by saying I really don't know. This is such a controversial issue in Cherry Hill that I don't know and I don't think that anybody does know.

ASSEMBLYMAN CODEY: Any further questions? (No response.) Thank you very much.

Our next witness is Mr. Barton Harrison.

BARTON HARRISON: Mr. Chairman, I am Barton Harrison, a long-time resident and former Councilman of Cherry Hill, a banker by profession, Chairman of the Camden County Planning Board and Vice Chairman of the New Jersey Educational Facilities Authority.

The remarks I am about to make are not of the aforementioned business or governmental agencies, but rather represent my own views.

Ladies and gentlemen, your oath of office commits you to support an effort to service lawfully developed commercial and industrial enterprises from which the populous, municipal, county and State government will benefit. This bill, namely 275, which is before you, does just that and thereby warrants your vote to get it out of committee.

By its passage, you are assuring not only the return to work of men and women unemployed and underemployed for four years due to the Garden State Racetrack fire, but the employment of hundreds of others who need jobs in order to support their families and retain their dignity.

Ladies and gentlemen, you have an obligation to the voters of southern New Jersey. The authority which you will create by your support of Bill 275 this day will have an exhilarating economic impact in that part of our State, which is better imagined than described. I urge you to vote Bill 275 out of committee; and, in anticipation of a favorable response, I thank you. (Applause.)

ASSEMBLYMAN CODEY: Mr. George Norcross, President, AFL-CIO Central Labor Council.

GEORGE NORCROSS: Thank you, Mr. Chairman.

My name is George Norcross and I am President of the AFL-CIO Central Labor Council in South Jersey, headquartered in Camden. Before speaking to you, for a few minutes, I would like to make a personal comment. That comment is directed, I think, more to you, Mr. Chairman, than the other members of the Committee, but in some way does affect them.

About seven or eight weeks ago, your Committee met in a committee room, I believe, upstairs. I was very, very disappointed with the outcome of that meeting. You didn't get to really discuss the A-275 issue. I left there rather unhappy. It was probably obvious to people in the room that many of us left there unhappy. Since the beginning of today's session here, listening to people who are both pro and con, given an opportunity to express their views, I can now see the wisdom of your calling for a public hearing. And I would like to thank you very, very much - also Mr. Riley, Mr. Schuck, Miss Kalik and Mr. Cardinale - for conducting this hearing and sitting through what at times is some very long and maybe even dry testimony. But I think it is necessary for the process.

I would like to speak to you today for just a few moments about jobs,

improving the economy, helping residents who have been devastated by developments beyond their control, reducing the strain on our unemployment fund and its fiscal reserves, providing a convention and cultural center, aiding New Jersey business, improving our highway system and giving a much needed shot in the arm to the tourist industry in the western counties of southern New Jersey.

That sounds like a good many items to cover and a lot of achievements to expand on, but it boils down to one sentence: On behalf of the AFL-CIO in South Jersey and the people and progress of southern New Jersey, we ask you to please vote for Assembly Bill 275 and get it out of committee into the Assembly, and, hopefully, into law before it is too late.

This measure, properly drafted and promptly enacted would be a great spur to the South Jersey economy and for the people of the area that I happen to represent in the labor movement.

You have heard earlier - and perhaps others will say it later today - the bill must be totally revised to reflect the want list of a particular municipality. Let me go on record as President of the AFL-CIO in southern New Jersey as saying that the legitimate local interest of any municipality which the authority might designate as the site for a racetrack and convention center should be considered. There will be an impact on that town and its people. However, much of that impact will be favorable: added revenues in the municipal treasury; jobs where local residents will undoubtedly be among the most logical aspirants; businesses which will enjoy a spur to their profit in terms of more customers, new customers and other allied benefits; highway improvements which should be permanent and which will assist residents 24 hours a day 7 days a week throughout the year. These are just a few of the favorable impacts.

We would ask you to please amend the bill so it anticipates and answers legitimate local concerns within the realm of possibility, but recognize first and foremost that it is a southern New Jersey - a southern New Jersey - sports and exposition authority serving the southern New Jersey and Delaware Valley area and providing a facility and assets which are regional in scope and benefits.

Four years ago - four years ago - I was a member of a volunteer citizens' committee representing business, labor, government and residential interests, all joined to work for the speedy reconstruction of Garden State Park following the disastrous fire. We worked on behalf of anybody, any group, any private enterprise, public authority or State authority, that would step in and try to rebuild and operate the track. For four years, that has been our position. We have been told time and time again, no action should be taken on behalf of a State or public authority, that private money ought to be doing it. But four years and some months later, no viable private money operation has come down the line and we ask you to please support A 275.

As part of our initial meetings we recognized and underscored the importance of a convention, cultural and exposition civic center as part of that reconstruction package, noting that it would benefit the area's tourist and convention industry, as well as provide a needed focal point for the cultural activities of our region. Four years later, precious little has been accomplished.

Now, thanks to your legislative foresight, the executive recognition, the economic climate, conditions are probably right for the creation of a South Jersey Sports and Exposition Authority. If you fail to act, the last genuine opportunity to recover from the areawide and individual devastation that we have felt will have slipped away.

New Jersey, as you heard earlier, had the golden triangle of racing,

a thoroughbred racing circuit which not only provided millions of dollars annually to the State, but which provided thousands of jobs and which entertained hundreds of thousands of people, many of them from outside the area. It also supported the horse-breeding industry which gave us open spaces, green acres, thriving farms in the nation's most densely populated state, our State. Today, that racing circuit is almost shattered. Other states are attracting horses which raced here. Other states are beckoning to the farms and stables which operate here. The competition is becoming intense. And, literally speaking, New Jersey cannot afford to lose. Unless we recreate and operate the thoroughbred racing circuit again in South Jersey and in the near future, we will lose.

I mention individual devastation. Workers by the thousands were thrown out of their jobs in 1977. We did not realize how deeply that devastation took place. Today, many of them remain unemployed or very much underemployed, working 50, 60, 100, maybe 110 days a year at other tracks in the State and going on unemployment compensation for the remainder of the time, in many instances, six months or thereabouts. Others can't even get jobs. We are talking about men and women in their 50's or older and, in many cases, they just cannot find a job. These people aren't figments of our imagination. They are flesh and blood. They pay their taxes, served their nation in peace and war, helped their community, raised their children and now they are sometimes considered economic dregs.

Ladies and gentlemen of the Committee, they are decent people, some of whom are here today. They are your constituents and they deserve better. A-275 is vital to them.

There will be jobs in the formation of the authority. There will be jobs in skilled crafts and general labor fields during construction. There will be many similar people doing maintenance and there will be thousands of jobs in operational areas from completion on into the future. We need the track and other facilities. That same track will assist restaurants, hotels, motels, entertainment, recreation and tourists businesses throughout the area where it will be built. The cultural and convention center will be the bright jewel in the South Jersey economic crown. We can attract scientific, business and professional seminars, major conventions and trade association gatherings which bring new money into any area's economy. We are close to Philadelphia. Philadelphia cannot accommodate all of the conventions that they would like to have.

Federal tax laws provide the basis for such an authority's planning. Success of the Meadowlands' operation provides the example which will not only attract financing but which will bring it in at a favorable interest rate. The necessary attention to local interests will enable the authority to be a model of its type, resourceful, yet responsive and responsible.

Let me conclude by saying this: We are a great State and a great nation, great people, working people. If we grasp this opportunity, build on the experience that we have had from the Meadowlands and others, blend compassion and confidence, and create an authority which will provide both a track and a center, we will have fulfilled our responsibilities well and truly. Our area's destiny, South Jersey, exclusive of the Atlantic City area, is your destiny, our people's destiny all over the State, and it is in your hands now. If this bill does not get out of committee, the chances are extremely remote for a racetrack and a convention center ever being established or re-established in the South Jersey area. We ask you to act now. We ask you to act expeditiously in the interest of the taxpayers and the residents not only of southern New Jersey but the entire State of New Jersey. Thank you. (Applause.)

ASSEMBLYMAN CODEY: Mr. Norcross, you mentioned there has been no action in four years. Would you agree that the administration has never made a concentrated effort to help a private developer rebuild that racetrack?

MR. NORCROSS: Mr. Codey, I would be inclined to say yes. We were very surprised about ten weeks ago when we met with the Governor and his attitude changed on this. It seemed to give us a new chance of establishing this, either through private or public money. At this time, we don't see any private developer coming.

ASSEMBLYMAN CODEY: Thank you.

The next witness will be Mr. William Eggeling, Business Manager of Sports Arena Employees Local 137.

W I L L I A M E G G E L I N G: Mr. Chairman and members of the Committee, my name is William Eggeling and I am Business Manager of Sports Arena Employees Local 137, AFL-CIO. Our headquarters are in Cherry Hill and we serve the entire State of New Jersey.

Our local has provided the greatest numbers of employees for any race-track in New Jersey, because we serve as mutuel clerks, accepting the wagers, recording them and paying out the winnings to the 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 are the vital link and I am 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 four and a half years ago.

Hundreds of our people were lucky to escape with their lives because of the fire. 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. Hundreds are underemployed, working only a few months out of the year and requiring unemployment funds.

These are not just statistics. And they just aren't my people. They are 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 four years, we have waited for private interests and private enterprise to do the job. It hasn't because in today's economic world, the return on investment doesn't justify it in dollars and cents terms.

But the bottom line is made up of more than sums, so 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 us 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 any way unfavorably impacting on the Meadowlands. It is a different market.

Assembly Bill 275 gives all of us a chance to put our people back to work. It gives us a chance to aid 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 will help the men and women of our Local and for that reason alone I would be here. But it does more than that. It can help everyone. And, coupled with the recognition of local concerns and the provisions of some highway facilities, it can be everyone's asset.

We have delayed and discussed for four years. Now let's do something. Act on Assembly Bill 275 and you will be serving our State's best interest today and tomorrow.

Mr. Chairman, I have a great number of letters here written by people who today are working at Monmouth Park and wanted to be here but couldn't. They expressed themselves in these letters written by themselves. I would like, if I might, to present them to you. Thank you. (Applause.)

ASSEMBLYMAN CODEY: Our next witness will be Mr. Thomas Ober, Building Trades Council.

T H O M A S O B E R: Mr. Chairman, honorable members of the Assembly Committee, ladies and gentlemen: My name is Tom Ober. I am Vice President of the Building Trades Unions, representing membership in Burlington, Camden, Gloucester and Salem Counties. I am speaking for Council President Joseph DiRenzo and for the several thousand members of our Building Trades Locals.

Prompt reporting of Assembly Bill 275 out of committee, then favorable action on the floor of both houses and the signing by the Governor would be both an immediate and long-range passage to prosperity for southern New Jersey.

As you know, unemployment in the building trades is rampant across our section of South Jersey. Interest rates are murder. Housing starts are almost non-existent. Institutional facilities just aren't being built as they were a few years ago. I don't know of a single governmental action which will provide more jobs for our people than our convincing you that Assembly Bill 275 should be reported out of committee and onto the Assembly floor.

We have heard the story about private enterprise rebuilding the track. But let's be realistic. It has not happened. The racetrack, however, would bring new dollars into the region. The convention and exposition center would bring in even more new dollars and the South Jersey Sports and Exposition Authority is needed before we can build either.

No matter where the track is built, there will be hundreds upon hundreds of jobs in both skilled crafts and general labor categories. All our people will benefit. There are many dozens of jobs in maintenance areas once the track is built. There are jobs associated with the continued improvement and expansion which will take place. There are jobs connected with both the building and the operation of a convention center.

And, finally, as these two centers of prosperity create their ripple effect, there will be other jobs associated with support and supply businesses. It all starts with Assembly Bill 275 and that all starts with you. Please don't wait for the sometimes well intentioned but always unrealistic promise of a private group. A public authority can provide the financial incentives which no private citizen can offer. The South Jersey Sports and Exposition Authority, we hope can trace its roots back to today. What you do, how you do it, will be the difference between jobs and prosperity for our entire region or the disillusionment and delay and deferment that inaction will bring. We ask you to meet your responsibilities and act favorably on A-275. Thank you. (Applause.)

ASSEMBLYMAN CODEY: Mr. Eli Karetny.

E L I K A R E T N Y: Mr. Chairman and members of the Committee, I want to

thank you for this opportunity to express my opinion as both a resident of Cherry Hill and a businessman, along with my partner Bernard Kravitz who is sitting next to me. We are the co-owners of the Rickshaw Hotel on Route 70 in Cherry Hill. Our hotel is directly opposite the burned-out racetrack.

We purchased the hotel in February of 1981 and our investment is nearly \$3 million. We pay an annualized real estate tax of some hundred thousand dollars. We have a payroll in excess of \$900 thousand. We pay sales tax of more than \$100 thousand.

In addition to having a healthy investment in Cherry Hill, I have also been a resident for more than 12 years. I am in favor of a South Jersey Authority as a resident because such an authority would not impact the school system with additional children as proposed condominium complexes would. It would assure a convention center. It will provide improved highways, which are needed in any event. And it would assure security of the area with State Police.

As businessmen, we are in favor of this proposition because it means growth to the area. The Sports and Exposition Complex would attract thousands of people to the area. It would swell the employment roles and rejuvenate a community which suffered for more than four years.

I not only speak for myself, but I speak for Mr. Tavey Cinelli who could not be here today because his father is ill - he is the owner of Cinelli's Restaurant, which has been a landmark in Cherry Hill for more than 40 years; and for Mr. Raymond Andros of the Cherry Hill Holiday Inn, who is here today; and for Robert Fox, the owner of the Hyatt House in Cherry Hill. Combined, these three facilities have more than 450 employees and pay in excess of \$400 thousand a year in real estates taxes and have a payroll which exceeds \$3 million. These businesses too would have a great deal to gain if the bill become reality.

Further, you have heard and will hear from other members of the hotel, restaurant and hospitality industry to tell you of the great need for a convention-sports facility. There is no doubt the entire business area suffered immensely. Convention centers are the very heart of the hotel business.

On Tuesday, the Philadelphia Inquirer had a lengthy editorial on the millions of dollars Philadelphia loses because it doesn't have enough convention space. Let me just read one paragraph, sir: "Conventions generate huge revenues. Philadelphia, even without a modern convention hall, will have 365 conventions in 1981, which will bring about \$114 million in revenues, mostly in expenditures for hotels, meals and entertainment. Virtually all convention revenue comes from people who do not live in the city and, therefore, do not require the full range of services provided to residents. Typical convention-goers are in town just a few days, spend hundreds of dollars and leave without imposing significant demands on government."

You, as a Committee, have a decision to make. Without appropriate information, I think it would be difficult for you to come to that decision. We have heard many people today speak about how well or how unwell their businesses are. I am here to tell you facts about our facility, not only over the last six months, but over the last seventeen years since it was built. Unfortunately, Mr. Mattise, who was the previous owner had to leave early, but he would have documented what I am going to tell you.

In the first fourteen years of their operation, they ran a 70 percent occupancy when the track was alive and well. That occupancy fell to 38 percent, sir. Over the last six months, we are averaging something around 38 percent. We have no doubt that a convention facility, combined with a racetrack, will help.

It will help everyone in the area.

What can I say about Cherry Hill which has no convention space whatsoever? We can't compete with Atlantic City. We can't compete with Philadelphia. But there is no doubt if we had a convention facility, we could certainly use the overflow that Philadelphia cannot handle and that is probably in excess of \$30 to \$40 million a year.

Also there is no doubt that Cherry Hill's employment rolls, not just across the street in the racetrack or in our own hotel, which would go from 80 to 150 people, would swell. I am sure the other stores, the gas stations, other restaurants would also be doing a lot more business.

I, therefore, urge you to act favorably on this bill. (Applause.)

ASSEMBLYMAN RILEY: Just one question. Earlier you heard me talk to Mrs. Burnstein and she said something to the effect that there wasn't much difference in the hotel business from the time when the racetrack was open. Is my memory that short? Wasn't the Rickshaw one of the places you couldn't even get into on days when the track was open?

MR. KARETNY: If you wish to come to our facilities, we will give you 14 years of records through that time. We will give you 70 percent occupancy. We will give you the bar figures and the food figures.

ASSEMBLYMAN RILEY: You say 70 percent occupancy.

MR. KARETNY: Year round. That was year round.

ASSEMBLYMAN RILEY: Am I wrong? Didn't it always seem to be pretty well filled when the racetrack was open?

MR. KARETNY: It was jammed, sir.

ASSEMBLYMAN CODEY: Thank you very much.

The next witness will be Mr. Edward Borden.

E D W A R D F. B O R D E N: I am Edward F. Borden, real estate broker in Cherry Hill. I am the President and owner of Borden Realty Company, which was founded in about 1917. I have been a resident of the Township of Cherry Hill since 1948. In about 1956, we moved our main offices of the real estate firm to Cherry Hill. We have been active in the sale of major parcels of land within the municipality, the sale of businesses and the resell of thousands and thousands of homes within the community.

I am also one of the charter members of the Cherry Hill Chamber of Commerce. I am currently Vice President in charge of legislative affairs.

I don't want to duplicate a great deal of what has been said here before because I think you fellows are getting a little tired. There are a few points though that I think really need clarification. One, there was some inference, I think, by Assemblyman Ernest Schuck to the effect that the statements made on behalf of the Chamber did not fully reflect the membership. We ran two surveys. A great deal of time was given to asking those questions as honestly and directly as possible because, as a Chamber, we represent businesses of all kinds, and you can never get uniformity of all businesses on any given subject. It was our firm desire to represent those businesses as best we could from a consensus standpoint.

Two surveys were run, not of the Board of Directors but of the membership itself. Unfortunately, I don't have those figures here. But I believe we had an amazing rate of something like 65 percent of the members polled who responded. It was a two-part question, the latter part of it. One was: Do you favor racing? The other was, of course: Do you not favor racing? They wanted racing overwhelmingly. As I recall, it was about two-thirds to one-third.

The second question was: If you favor racing, do you favor it under

local enterprise or would you still support it under a State authority or State operation? With that, we lost, of those people in favor of racing, about 55 percent. So the total consensus - and I am trying to speak accurately for the membership - was that in excess of 65 percent of the membership were against racing, as now constituted or as now being considered.

A great deal has been said about the inability of private enterprise to accomplish anything in the last four or four and one-half years since the track burned down. Sometimes our memories are a little short. But, during that period, this has been, I suppose, one of the most extensively litigated pieces of real estate anywhere. It started with suits between the legatees and other parties of interest fighting amongst themselves. Thereafter, there were suits between the administrator and the defaulting buyer, the defaulting buyer, as I recall, trying for approximately a year and a half to get the property back. Then there were suits between the bankruptcy courts and the administrator, suits between the administrator and various other stockholders or legatees. Now, as of last week, we have another suit filed with the intent and purpose of securing farmland assessment.

What I am suggesting is that the delay that you are hearing is not the fault of private enterprise. Frankly, it is a property that has been so heavily litigated that it hasn't really had an opportunity to be expanded.

Earlier, you had a gentleman speak here, Mr. Rubenstein, who outlined a proposal. I don't mean to infer on behalf of the Chamber either support or non-support for Mr. Rubenstein. I think you gentlemen questioned him very closely, and properly so, about his ability to accomplish financially what he was setting out to do and also indicating a possible time frame. I would like to ask you, gentlemen and lady, whether you have had accurate, informative, knowledgeable opinion from the banking groups or the bonding groups as to the viability of the sale of the bonds which would be offered for sale, as I understand it, not backed by the full faith and credit of the State of New Jersey. These bondholders would look to the proceeds to be secured from this enterprise, as tax-exempt entities. I am not a bondsman, but I would assume it would be most difficult to market those bonds below about 13 percent.

I think it is incumbent upon this Committee to determine whether, in fact, if this Committee does release it to the Assembly and the Assembly passes it, we do not then have an entity created that would condemn through court means this valuable parcel, only to find that they are unable to fund it, and we have then another four or five years of litigation.

Gentleman and lady, I want to thank you for hearing me and I will be open to any questions you may have.

ASSEMBLYMAN RILEY: I have one brief question. I have known Mr. Borden for years. You don't know of any prospective private individual that can develop the Garden State Racetrack, do you, as a racetrack?

MR. BORDEN: No.

ASSEMBLYMAN CODEY: Thank you.

Our next witness will be Mr. Richard McManus.

MR. BORDEN: I have asked a question. Is it possible that the Committee could answer whether or not you will have the benefit of viable and knowledgeable banking interests which would give an accurate opinion as to the marketability of those bonds?

ASSEMBLYMAN CODEY: I think you can get as many opinions as you ask for.

MR. BORDEN: I said responsible.

ASSEMBLYMAN SCHUCK: That is something that has to be looked into.

ASSEMBLYMAN CODEY: Mr. McManus, please.

R I C H A R D M c M A N U S: Good afternoon.

I am Richard McManus, Associate Counsel to Governor Byrne.

I would like to express the administration's support for the establishment of a South Jersey Sports and Exposition Authority. (Applause.)

ASSEMBLYMAN CODEY: That is one of the few times - and I have been here for eight years - that anybody from the Governor's Office ever got a hand in here.

MR. MC MANUS: While we still have some doubts as to the financial feasibility of the reconstruction and operation of a racetrack in the South Jersey area, it is becoming increasingly obvious that private capital will not support such a venture. Accordingly, we believe that the institutional structure should be put in place to facilitate public operation of a racetrack, if and when that becomes financially possible.

I have, personally, reviewed Assembly Bill 275 with Assemblyman Rand and have suggested several amendments which have now been incorporated in Assembly Bill 3584.

The administration's principal concerns were the extent of the authority's powers, the siting of the racetrack and the composition of the authority. We would, at least until the authority has had some initial success, limit it to construction and operation of a racetrack and exposition facility.

Secondly, while the site of the former Garden State Racetrack would be the first to be considered, we think the authority should have the power to choose another location of similar size if that proves to be more advantageous.

Finally, we felt that the South Jersey Authority should coordinate its activities with the existing Sports Authority and with the government of the county in which it is located. We would increase the authority's membership to include the Executive Director of the New Jersey Sports and Exposition Authority and the County Freeholder Director of the county in which it becomes located.

With these and other technical amendments, it is our hope that Assembly Bill 3584 could serve as the basis for the return of horse racing to the South Jersey area.

ASSEMBLYMAN CODEY: Any questions?

ASSEMBLYMAN CARDINALE: Would the administration equally support this without the provision for eminent domain or with some local limitation on eminent domain by the authority, as has been suggested earlier?

MR. MC MANUS: I am not familiar with what limitations were suggested. It would seem to me that some eminent domain powers would be necessary.

ASSEMBLYMAN CARDINALE: And would the administration still support it if the in-lieu-of-tax payments which were being made were considered as an operating expense, thereby being a premier expense to be paid, and if the bill went so far as to establish that other authorities already in operation in the State would have a like in-lieu-of-tax provision for their areas?

MR. MC MANUS: Well, this, of course, was drawn to parallel the existing provisions in the Meadowlands Sports Authority law. We would have to review it to determine whether that was possible or not.

ASSEMBLYMAN CARDINALE: Thank you.

ASSEMBLYWOMAN KALIK: I wonder if you could address Mr. Borden's question as to the bonding?

MR. MC MANUS: Of course, the administration and the Sports Authority

had a review of the feasibility of this project done and the conclusion was negative at that time. There were, of course, some variables in that, the first being the cost of construction of the racetrack; the second being the length of the racing season and, thereby, the revenues that would be generated.

As I said, we continue to have some doubts as to its feasibility. But we think that the institutional structure should be put in place so that if it does become possible, if we do determine that it is feasible, we can go ahead with it.

ASSEMBLYMAN CODEY: Thank you, Mr. McManus. (Applause.)

Mr. Walcott, do you want to speak now. (Applause.) I understand you want to take Mr. Lee's place for the Athletic Commission.

J E R S E Y J O E W A L C O T T: Yes.

ASSEMBLYMAN CODEY: Do you have a statement to read?

MR. WALCOTT: No, but I have some comments I would like to make.

ASSEMBLYMAN CODEY: Go right ahead and make them.

MR. WALCOTT: With regard to a complex in the southern part of New Jersey, I feel as a former athlete and former fighter, knowing the needs and conditions of the middle section of our State, that it would be very helpful and very worthwhile if we had a complex in the Camden County area.

I know from my experience as a fighter the interest and enthusiasm of the people in the Camden area for all sports. At present, we have no facility in the general area that will house the type of crowds that are needed to entertain the people in this part of the State. Camden is a great sports town. Wrestling, boxing, basketball and things of that sort are badly needed. We had a convention hall in the City of Camden which was torn down and there is no place in the city that would house the crowds of people that I know professional sports would draw.

ASSEMBLYMAN CODEY: Are there any questions? (No response.)

Thank you very much. (Applause.)

Is Mr. Raymond Andros here?

RAYMOND ANDROS: My name is Ray Andros and I represent the Holiday Inn of Cherry Hill. The discussion I've heard here today, I think it can be worked out very easily. Every day I look out the window of my office and I see nothing. All I see is the blank, empty lot across the street and I wonder why because everything I've heard today seems to be very negotiable. Mr. Rand has said that he would amend the bill anyway that was needed. It is amendable, anyway, and as far as doing business, we are getting by, but that's all. Nobody goes into business just to get by. So, I would like to see this bill get passed. Thank you very much.

ASSEMBLYMAN CODEY: Thank you. Mr. George Leupold?

GEORGE LEUPOLD: Mr. Chairman and members of the Committee, I am one of the Vice-Presidents of the Cherry Hill Chamber of Commerce and also the Chairman of the Economic Development Committee. I also own my own business, a financial insurance and planning agency and I've been a resident of Cherry Hill for 14 years.

If I may, I would like to make some brief comments from my own personal opinion and I also have a brief statement to read by the owner of the Greenbriar Restaurant, which has been mentioned before is directly across from the racetrack property on the circle.

I should start off by, again, re-emphasizing, and we can't seem to do this enough, since we seem to continually get attacked for being against racing or being against the civic center, that I, personally, nor the Chamber are against racing nor are we against the civic center. In fact, we're very much in favor of any kind of civic or convention center that would bring additional, quality business to the Cherry Hill area.

At a time when most states across the country seem to be going out of their way to attract business and encourage free enterprise to grow and to prosper in their states and thereby providing both jobs and needed revenues for townships, cities, counties and states, the State of New Jersey, via this proposed bill, would appear to me to be denying private enterprise the opportunity to develop one of the choicest pieces of property in, not only the South Jersey area, but also the Greater Delaware Valley. In doing this, you would be depriving the taxpayers, both residents and businesses of Cherry Hill and Camden County, the full amount of taxes that would be paid normally by a fully developed and quality ratable.

I've been given estimates by qualified real estate investment people that the payment by the State in lieu of taxes would be only approximately ten to twenty percent of what the revenues would be if they came from a fully developed quality ratable in that same area. Obviously, that would probably be eight to ten years down the road, but to give you some figures and to be more specific, several people have agreed that the total value of that property developed commercially, for instance, as you heard this morning, by Mr. Rubenstein, should be worth in the area of \$300 million. That, by the way, at the current tax rate in Cherry Hill, would produce a revenue of \$780,000 to our township alone. For comparison purposes, our total revenue from real estate taxes right now is \$3 million. So, you can see that that would be a very big chunk. The highest assessment ever placed on the Garden State property, in its prime, was back in 1971. The property was assessed at \$12 million. In 1974, when properties, for the most part, were increasing in value, the Garden State property dropped to a valuation of \$11,930,000. Now, even if we double or triple that value, I find it difficult to see where that would approach the mark of \$300 million. So, obviously, the tax revenue to all the taxpayers involved would be greatly diminished.

Since you heard the testimony this morning by a qualified developer who produced a very reputable and financially sound partner and financial backer, I must therefore question the right and the wisdom of the State authority to confiscate this piece of property and deprive free enterprise the right to operate.

Now, I would like to conclude by reading the statement by Tony Chigounis, who is the owner of the Greenbrier Restuarant which has become a landmark in Cherry Hill and who recently found business well enough and projected it into the future so that he did a total remodeling job of his restuarant. His comments are as follows: "Please accept my aplogy for not attending this hearing personally. However, my business requires my complete attention this week. I am writing, first of all, to support the position taken by the Cherry Hill Chamber of Commerce of which I am a member. It is our conviction that the free enterprise system has a more effective device for determining the highest and best use of the Garden State property, the open market. We all know that there is already a sale by the Bank of New Jersey trust department to Mr. Rubenstein. Court contests aside, this buyer is exercising his legal right to purchase the land and develop it. The point is, simply, that the State is not needed to fill a vacuum. There is no vacuum as to development of the site. The State is posturing itself as a bidder for property that is already sold. We have been told that the State will not condemn the property and take control of the land by eminent domain by Mr. Rand and if that is the case, then the State has put itself in the position of determining how the market should work, that is, legislating that they should make an offer on property already sold. I respectfully submit to the Committee that this is not a role of the State.

"May I pose the following scenario? Assuming the State Authority bill is passed and the State, which supposedly does not advocate eminent domain, makes an offer to the Bank of New Jersey and further assuming that the bank has not gone to settlement with Mr. Rubenstein, and that this agreement, for some reason is not valid, what guarantee does the State have that its offer will be accepted? Many of us who work in Cherry Hill have heard in open meetings the comment that there will be lawsuits for four years and the property will be vacant if the State doesn't take over. Do I understand that to mean that the trust beneficiaries will sue if Mr. Rubenstein buys the tract, but not if the State buys the tract? Members of the Committee, I simply ask you the question: Why? Why will the State sue if a private developer purchases the site as opposed to the State, when the State promises to pay no more for the site?

"Members of the Cherry Hill Chamber and Cherry Hill Town Council and our Mayor were told at a meeting of the Chamber's Economic Development Committee that the State would not offer more to the Bank of New Jersey for the property than other bidders, but would consider a tax benefit of some sort to make a State purchase more palatable. Why should the State preempt the open market, which has already functioned? What exactly is the Mori estate entitled to from the State?

"Secondly, the track's unfortunate demise has been said to have left Cherry Hill's economic life gasping. Four major restuarants have opened or will since April of 1977 and two major restuarants have expanded or remodeled. This is only in our industry. Hundreds of businesses have opened since the track burned. Cherry Hill's economy is hardly depressed. There is no question that interest rates and inflation have had adverse effects, but that is a nationwide dilemma. The hotel industry unquestionably lost business when the track burned. However, it is a mute point whether the rebuilt track will bring more room business than a developed regional office complex

with constantly traveling executives. This, I might add, is the direction that Cherry Hill is currently going in.

"Most important and finally, I realize that today's bill is not necessarily written for a Cherry Hill location. However, let us be realists and say that it is still site #1. We have been told by our legislators that if Cherry Hill doesn't want a track, it won't get one. How do we know if the residents do or do not want the Authority? I ask you, will the State abide by a referendum slated for November in Cherry Hill? Thank you for your consideration in this matter. Tony Chigounis, owner, Greenbrier Restuarant."

Are there any questions?

ASSEMBLYMAN CODEY: Thank you, sir. Mr. Stanley Panco?

S T A N L E Y P A N C O: Mr. Chairman, members of the Committee, my name is Stanley Panco and I am the Executive Director of the Thoroughbred Breeders Association in New Jersey. I have been before your committee before on numerous occasions and I'm sure you're well aware of the impacts that thoroughbred breeding has on the agricultural industry in New Jersey. Through your efforts in promoting legislation, you have been kind enough to pass legislation that has provided millions of dollars in breeder incentive awards over the last several years for thoroughbred breeders in the state.

We are faced with one problem, that is, the problem of a marketplace for the product that we produce. As you know, the racetrack is the user of our product, the thoroughbred racehorse, and with that marketplace being closed from January to May, our breeders are reluctant to improve the number and quality of the breeding stock that they have in this State. We were hoping that free enterprise would have rebuilt this facility long before this and over the past few months our breeders have been very concerned that there probably would never be a rebuilding of the Garden State Racetrack. So, as a last resort, my board members sent a letter to our breeders, a very brief letter, which I will read. "In the spring of 1977, a disastrous fire destroyed the grandstand of the Garden State Racetrack. Since then, we have been waiting patiently for private enterprise to rebuild this fine facility. With the escalating interest rates and building costs, this has not come about. Our fine country has been built on the free enterprise system, but in some areas, such as building stadiums, arenas, convention centers, airports, and etc., it has been necessary for government to aid in providing these facilities. The logic behind these endeavors is that the inherent benefits to the economy and the citizen warrant such action. Horse breeders in the State of New Jersey are reluctant to breed horses that have no place to run a large part of the year. It has cost the thoroughbred industry over a quarter of a million dollars each year to keep a training track open during the period when Garden State would normally be running. It costs tens of thousands of dollars during this period to transport horses out of this state to race. Employees are placed on unemployment at a cost to the State, along with the loss of racing revenue, amusement and sales tax, etc., the economy of Cherry Hill, the horsemen's families, the former employees of the track, the breeders, and all of the professional businesses and services of the horse industry would benefit greatly by the rebuilding of the Garden State Racetrack. You can help. Sign the enclosed petition and have it signed by your friends, neighbors and relatives and send it to the Thoroughbred Breeders Association of New Jersey." We sent out these petitions and, much to our surprise, we received them back with thousands of signatures from all over the state

requesting that the State of New Jersey form an Authority to rebuild Garden State Racetrack. I'll leave these with you and I'm sure that you will find hundreds of your constituents, no matter what district you represent, on these petitions. So, I think that the public supports the rebuilding of the Garden State Racetrack by an Authority and I think, even though most of the press has left, they will take the message back to the public that this will not be built with taxpayer's money, but revenue that is generated during the racing season. It comes from the mutuel handle and not from the taxpayers of the State of New Jersey and the only thing that the taxpayers can do is benefit and they cannot lose a dime. I thank you for your time and consideration.

ASSEMBLYMAN CODEY: Thank you. Our next witness will be Dr. Joseph Hassman.

D O C T O R J O S E P H H A S S M A N: Mr. Chairman and members of the Committee, My statement today will be brief and I hope to eliminate much of it so as not to be repetitious. It represents a consensus of Cherry Hill's seven member council regarding the creation of a South Jersey Sports and Exposition Authority as stipulated in bill #275. It does not address the pros and cons of bringing back a racetrack to Cherry Hill. This is not an issue today. Council opinions are directed only at the State takeover and does not reflect a majority opinion on the usage of the site as a privately owned racetrack.

Naturally, Cherry Hill Township Council's primary concern is that the best interests of our community and its residents be safeguarded as we move into what may very well be the final stages of the re-development of the Garden State Racetrack site.

We have spoken at length with representatives from East Rutherford and are extremely concerned over the seriousness of the problems created in that community by the existence of a Sports and Exposition Authority.

Indeed, while none of us on Township Council could be characterized as alarmists, we would certainly be less than realistic if we did not heed the words of warning of those who have been there before us and have suffered from the experience.

We are very much concerned over the absolute powers that are granted in the existing Act to the Authority and the unilateral control which, in essence, usurps the power of the local authorities. Under the East Rutherford agreement, there is absolutely no accountability to local government by the Authority. Whatever function the Authority wishes to sponsor on the Meadowlands site can be done without licensing approval of local government. I will not go into the article in the New York Times which was spoken of earlier but, indeed, it was a rough scene about which local government could do nothing to prevent it or protect itself.

We are concerned about the Authority's right of eminent domain. A power that allows the State to acquire additional lands for the Authority's use could, in essence, mean that the current 283 acres which now constitutes the racetrack site could be added on to if the Authority so desires. Assemblyman Rand has constantly stated that the right of eminent domain would not be exercised. If that is the case, let it be so stated in the Bill.

We are also concerned about another facet of a state run Authority, one which has been the greatest tragedy for East Rutherford; the financial losses to the community. Without an equitable in-lieu of taxes agreement and adequate compensation for sewer and other services, our community would suffer greatly. We understand, that as the Bill now stands, it does not contain adequate provision for fiscal reimbursement

for Cherry Hill. In order to fully safeguard our community and protect not only Cherry Hill, but any other municipality which might become the site of a Sports and Exposition Authority in South Jersey, we must insist on certain provisions being written into the Act itself, if we are to support it.

We do not want to be placed in the position where we will have to negotiate with an Authority--after the fact--for rights and privileges which should be inherently those of local government.

Therefore, while Council members may differ individually as to their personal preferences for the best usage of the Racetrack site, they are unanimous in their opinions regarding the Sports and Exposition Authority Bill.

Cherry Hill Township Council--and I will state each member's name for the record: Donald E. Dalglish, Paul Della Vecchia, Howard S. Gall, Howard F. Haas, John T. Holden, Bernard A. Platt, and myself, Dr. Joseph M. Hassman--unanimously opposes any state bill which would create a South Jersey Sports and Exposition Authority that does not include the following ten points which we have determined are vital and crucial to the ultimate protection of any municipality in which a Sports and Exposition Authority exists.

I will not go into the ten points because they were mentioned earlier. However, the first point, there is a slight alteration that was not included earlier. It reads as follows: If Cherry Hill Township is selected as the site of the South Jersey Sports and Exposition Authority, the Authority can only encompass the 283 acres currently open and known as either the Garden State Racetrack or the Mori Estate.

To further emphasize its position, Township Council intends to initiate a non-binding referendum which would seek to give voters the opportunity to express their concerns through the democratic process.

We ask everyone who will be either casting a vote on this bill or who will in some way be influencing its outcome to carefully consider our requests.

They have been made after due deliberation and are not made lightly or simply to obstruct. We have serious concerns about the potentially negative impact a state run Authority could have on our community.

Currently, Councilmen Haas, Dalglish, Holden and myself have publicly stated that we prefer private, commercial development for the racetrack site, but we will not oppose a state takeover as long as our conditions are met.

Councilmen Della Vecchia and Platt are both opposed to the rebuilding of the racetrack and prefer commercial development on this site.

Councilman Gall's first preference is the State's rebuilding of the racetrack, provided the Township's ten points are granted.

However, to reiterate, the unanimous stand of Cherry Hill Township Council concerning this bill is that we oppose any bill which would create a South Jersey Sports and Exposition Authority that does not include the ten safeguards outlined.

If included, however, we would not oppose Assembly Bill #275. Personally, I must add that I feel that this is the most prestigious area in all of South Jersey. It was a racetrack long before most of us came to Cherry Hill and I would like to see it flourish as a racetrack in the years ahead. Thank you.

ASSEMBLYWOMAN KALIK: Are there any questions? Dr. Hassman, I would like to ask you one question. Do you think the state could have built a prison or made a road or any other state project with those ten condition attached to it?

DR. HASSMAN: Well, we're not dealing with a simple road or another facility. We're dealing with an area of ground that has flourished before as a racetrack and

we just want certain protections for the people of Cherry Hill who are going to be putting up with the traffic hazards, the obstruction of a racetrack, to get the negatives out so it can flourish as a positive thing for Cherry Hill. There is an area designed for it, but we would like to see it spelled out only because we have met with people who have had a similar situation and have been told by them that it is not in the bill when we come to negotiate, we'll be told, "Well, it's not in the bill, that's the way it reads and that's the way it is." So, we would like it spelled out. It's only fair for the state and for the municipality.

ASSEMBLYWOMAN KALIK: I have to re-ask the question. Do you think there is any state facility, under eminent domain or other, that could have been built with those same conditions attached to it?

DR. HASSMAN: Absolutely. All you're doing is giving us an equal share and right in the process of what's going on in our town.

ASSEMBLYWOMAN KALIK: Do you think there are negatives attached to the building of a prison in a community?

DR. HASSMAN: I wouldn't even go as far as to say there are negatives in that, even, without the ten commandments. But, I don't want to see anything happen in the future. You or I may not be here ten years down the road and, if it is written in, it is protection now and always. That's what we're looking for, protection.

ASSEMBLYWOMAN KALIK: Any other questions? Bernard Platt?

B E R N A R D P L A T T: My name is Bernard Platt and I am an elected councilman of Cherry Hill. I've lived in Cherry Hill for 14 years and I also have a business in Cherry Hill.

The statement which I'm going to read does not represent the opinion of Council, but that of my own free will and my own feelings toward the Authority as it pertains to the Township of Cherry Hill.

Much has been written and said about the possible creation of a State Sports and Exposition Authority on the Garden State Racetrack site in Cherry Hill. My position is that the highest and best use of the property is a commercial and residential development which features top quality department stores such as Saks and Bloomingdales, unique specialty shops, fine restaurants, luxury condominiums, corporate headquarters and other business offices, all attractively situated in a park-like setting. There is simply no need for the State to take over one of the most valuable tracts of property in Cherry Hill or, for that matter, in South Jersey.

If Cherry Hill was a less fortunate community, one might argue that the need for a state bailout to save the township, but it is my contention that the Authority needs Cherry Hill more than Cherry Hill needs the Authority.

In the past four years, without racing, \$96 million in ratables have been added to the tax rolls. This indicates a strong, healthy local economy and in no need of dependence on a State racetrack.

The people of Cherry Hill should also realize that it is no accident that the State Authority is called an authority. There are no local controls on events and activities that take place on the track property. If the State wants to have 32 rock concerts in less than a year, as it did in the Meadowlands in East Rutherford, it will do so.

In the current Assembly Bill to create the Authority, the State can also take whatever property it desires by eminent domain. The potential harm this could have on our residential and business districts is incalculable.

Also planned are 200 days of racing. It would certainly benefit anyone who is interested to contact municipal officials in East Rutherford to hear the reaction to the State Authority in their community. One would be told that the Authority is arrogant and difficult to deal with and has no regard for local interests.

One also learns about the hundreds of arrests which are a direct result of activities of the Authority and the impact on the municipal court system.

I was also concerned about the fact that the State makes no special effort to hire locally for the better positions at the Authority. This also has been a vexing problem for the people of East Rutherford. Unlike the private residential-commercial development of the Garden State Park site, a racetrack will not be of significant lasting benefit to existing businesses, restaurants, and stores there. From previous experience here and in East Rutherford, the racetrack's out-of-town clientele drives in and out for the races only and spends little time in other establishments. The Cherry Hill Chamber of Commerce recognizes this and has gone on record as being opposed to the State Authority.

Finally, unlike private enterprise which pays taxes based on new improvements to property, the Authority proposes an in lieu of taxes formula that includes no provisions for increased taxes for additional developments on the property. This stagnation of its tax base would place a burden on all other taxpayers who support municipal services and programs. Thank you.

ASSEMBLYWOMAN KALIK: Are there any questions? Thank you. Leon Zimmerman?

LEON ZIMMERMAN: Thank you very much. My name is Leon Zimmerman and I'm speaking to you today on behalf of the Standardbred Breeders and Owners Association of New Jersey. This statewide association has more than 2,000 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 throughout the state.

The SBOANJ is supportive of the passage of A-275 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 currently being made in California to copy the Meadowlands Sports Complex concept, with a pari-mutuel racetrack to support the 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, it is the harness racing meet that has been the most successful. The reason I mention that is because I think it is important that it be a dual facility.

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. Thank you.

ASSEMBLYWOMAN KALIK: Any questions? Thank you very much. I've been asked by the Burlington County Chamber of Commerce to have this put on the record. "Dear Assemblyman Codey, The Burlington County Chamber of Commerce wishes to go on record in support of Assemblyman Rand's bill creating a South Jersey Sports and Exposition Center. We are cognizant of the fact that private enterprise should be involved in this, but due to economic conditions, they will need government assistance as the vehicle to accomplish this without the additional burden on the taxpayer. We feel that the model created by the Meadowlands has proven successful in that area and has improved the economics, housing, employment, and cultural conditions. We would like to see South Jersey given the same opportunity and be able to enjoy the same advantages. South Jersey is the fastest growing area in the state and the resources of its population, land, and transportation are readily available. As the Meadowlands pulls from metropolitan New York, the South Jersey Exposition Center will draw from Philadelphia and add additional revenue to the state. We do not feel that this would be competing with the Meadowland, but complimenting it and would round out the state facilities. We urge you to vote in support of this bill and move the process to a speedy reality. Sincerely yours, Harry Van Sciver, President of the Burlington County Chamber of Commerce."

Mr. Edward Ellis?

E D W A R D E L L I S: Assemblyman Cardinale, Assemblywoman, Kalik Assemblyman Schuck, it is my pleasure to be here and I appreciate being very close to the last speaker. My name is Edward Ellis and I've been Vice-President of the Garden State Racing Association from 1970 on. I've been the owner of the racetrack for the last three years, since it burnt down.

I want to say that Garden State Racetrack has to be rebuilt. I want to say also that three months after the fire, myself and my colleagues proposed to the State of New Jersey and to the people in authority at that time that an Authority like this be created with the idea of rebuilding it quickly.

This has not been done, as you all know. However, I am very happy to have heard all of the testimony today and getting down to the basic, the bottom line is that there should be a joint venture, so called, between private enterprise and the State of New Jersey in the form of an Authority, with the Authority emphasis

on the financing and the private enterprise emphasis on the efficiency of operation.

This can be done and done quickly because my company, of which I am the major stockholder, Garden State Park, Inc.--I have put all of my fortune and what I inherited from my father who built Garden State Racetrack and my grandfather who farmed there before Garden State was a track. We've lived, we've worked, and we've run a business in Cherry Hill since the 1900's. We know. We want it rebuilt and we want a combination. Now, the problem that has caused Garden State, basically, not to be rebuilt was the cost of money. The basic cost of money, when I purchased, and I put a million dollars of my own money down to buy it in 1978, the interest rate, the cost of money, was 10%. At that time it was feasible. By the time the bonds were to be sold, the cost of money was 18½%. This is what happened. This is why we need an Authority to handle the financing, the sale of the bonds, and the private enterprise to operate and work with the local, political entity of Cherry Hill and Camden County.

There is no need for me to go any further. I have fought this thing, as I've said, put my entire fortune in it, and I fought for three years to get it going, get it started and all I can say is that I welcome this opportunity and welcome this proposal by Assemblyman Rand to put this Authority in place, and the sooner the better. The fact that my company has all the plans and specifications, the racing license, and we're also the owners of the ground.

Now, I read you a statement here that will contradict the statements of Mr. Rubenstein and Mr. Levy and the other people who promote a shopping mall on this site. "I, Edward H. Ellis, President of Garden State Park, Inc., wish to inform this committee of the New Jersey State Legislature and all other interested parties that Garden State Park, Inc. is under the exclusive jurisdiction and relief of Chapter 11 of the United States Bankruptcy Court." United States bankruptcy law takes precedence over all state courts. A national policy enacted by Congress in the exercise of its constitutional authority to establish uniform laws on the subject bankruptcies cannot be impeded by the idiosyncricies of local property laws. Garden State Racetrack is owned by and is the major asset of Garden State Park, Inc. and a plan is now being prepared to rebuild and operate Garden State Racetrack. This is the bankruptcy proceeding that we had to put Garden State Racetrack in because of our inability to negotiate with the trustee of the estate that controlled the property and we are ready, willing and able to go to work at any time and we strongly support the passage of this bill.

Along with that also, your two bills #277 and 1046 should also be passed as soon as possible. They are excellent bills for the racing industry and I reiterate again that I've been in racing since 1970 and we have what is probably the finest location in the United States for a racetrack and for the development of the 66 acres that are not necessary for the racetrack. The development of those 66 acres will be or is part of our plan. We also have another part of our plan that we would build a theater on this racetrack site very much like they have in New Haven where you sit in the theater and watch the races at the Meadowlands on a wide screen television or you watch the races at Atlantic City and you can sit there and bet in this theater. It has been very successful up in Conneticut and we propose that as part of our program with this Authority, plus the development of the 66 acres.

ASSEMBLYWOMAN KALIK: Any questions? Thank you, Mr. Ellis. Louis Nagy?

L O U I S N A G Y: Good afternoon. My name is Louis Nagy and I am the Director of the Burlington County Department of Economic Development. I'm here this afternoon

to read a statement from Freeholder Director Henry W. Metzger. Mr. Metzger regrets that he could not be here this afternoon to present the statement himself.

"Assemblywoman Kalik, members of the Committee, thank you for this opportunity to present my views on the proposed South Jersey Sports and Exposition Authority.

"As the Director of the Burlington County Board of Chosen Freeholders, I support the creation of this Authority and construction of the sporting facilities mentioned in this bill.

"I support this measure because I am firmly convinced that, just as the Meadowlands Sports Complex in North Jersey provided an economic stimulus for that area, the proposed South Jersey complex will do the same for our part of the state.

"The construction of a football stadium and reconstruction of the racetrack for both thoroughbred and standbred racing will provide an added dimension to life in South Jersey.

"These facilities would be in the heart of one of the largest metropolitan areas in the country serving a potential primary market of some two million people.

"It would provide a needed economic boost to those businesses that already exist in the area, while establishing a base for the creation of new businesses and the new jobs that would follow.

"And, perhaps just as important, as the Meadowlands provided an identity for North Jersey as something more than a bedroom for New York City, the proposed Authority has the potential for significantly improving the public view of South Jersey.

"Clearly, this proposed complex would not be located in our county. But, just as clearly, the economic spin-off from this project would have a tremendously beneficial influence on the economy of Burlington County, just as it would for the other surrounding counties.

"And, in view of that, I would like to point out that unlike the Meadowlands Sports Complex which required a so-called 'moral pledge' of the state's financial resources before it could get off the ground, no such pledge would be required for this South Jersey project.

"There is no Authority in this country that comes close to matching the record of success achieved by the Sports and Exposition Authority.

"With that precedent in mind, many of the objections being voiced to a South Jersey Sports and Exposition Authority are unfounded.

"There is no 'moral pledge of the state's financial resources' at issue. And, as for this Authority's chances of success, all we need do is look to the steady performance of the Sports and Exposition Authority, after which this legislation is designed, and there should be little cause for concern.

"I urge you to approve this legislation for the good of all of New Jersey. Thank you."

ASSEMBLYWOMAN KALIK: Thank you. Shirley Huckle?

S H I R L E Y H U C K L E: Members of the Committee, thank you for the opportunity. My name is Shirley Huckle and I live in Pennsauken, New Jersey. I too will be brief and, hopefully, not repetitious.

I have been employed in the hotel-tourist industry in Cherry Hill since 1963, spending approximately 14 years working for Garden State Racing Association-Hotel Division, Cherry Hill Inn and Lodge as the Director of Sales and currently with Best Western properties in Cherry Hill.

I was working at the Inn when the Garden State Racetrack burned to the ground in April of 1977 and have since witnessed the subsequent decline of our business, primarily today when hotels are sitting empty on the weekends. Not only did we depend on the track for entertainment and sport, but the track was used as a facility or acting convention center for large conventions that could not be accommodated by any one hotel, such as the Medical Society of New Jersey, the state convention with several thousand in attendance for a period of a week, just to name one. This convention alone filled Cherry Hill hotels with overflow, filtering out to outlying properties, generating untold dollars to area shopping malls, clubs, restaurants, etc.

Without our convention center and racetrack, we have to sit by passively in Cherry Hill and see the conventions and tourist business we can no longer accommodate go to other areas. This is a repeated event and witnessed by being a member of the Philadelphia Convention and Tourist Bureau. I know what Cherry Hill hotels' occupancy were prior to the track's demise and where we stand today.

Finally, we need a convention center in Garden State Park to survive and I'm in favor of the proposed South Jersey Sports and Exposition Center. Thank you.

ASSEMBLYWOMAN KALIK: Thank you. Frank McGuckin?

FRANK MCGUCKIN: Thank you, Assemblywoman. To be very brief, I don't have a prepared statement. I came here today to support my brothers and sisters in the labor movement, namely, the racetrack employees. I happened to be at the track on the day of that fire and I represent the firefighters of Camden City and I'm also a legislative representative for the Firefighters Association of New Jersey. During that fire that day, myself and three firefighters from Philadelphia Ladder Company helped some people down from that third floor area where the fire originated and, listening to most of the testimony today, and probably being as tired as you are of sitting here through it, I have a few comments.

I've been a resident in the area of Camden for some 33 years and I've seen the exodus of business from the Camden area in the name of progress, mainly to the Cherry Hill Mall area and what not. I've heard numerous statements today that seem to lean toward some ten points or whatever that would go along with this bill. I support this bill, by the way. But, I would just like to make this personal observation to you and leave you with it. According to Mr. McManus, if there can't be something worked out for a state facility, there might be an alternative site looked at. I speak personally on this, not as an official from the City of Camden. If there is any possibility that this facility could be built in the economically depressed City of Camden, I personally would invite that. Thank you for your time and I urge you to support this bill. Thank you.

ASSEMBLYWOMAN KALIK: Thank you. Joseph DePietro?

JOSEPH DEPIETRO: My name is Joseph DiPietro. I've lived in Haddonfield, New Jersey now for over 30 years not quite a mile from the front of the track and I'm strictly against any high-rises or condominiums or malls because we have more than we need right now. The one thing that I don't think anybody brought up, there is a suburban newspaper group that serves Cherry Hill and about a dozen towns in the area and they've had a poll, asking if you are in favor of a racetrack or condominiums or malls. At present, I think it is running nine to one for the racetrack, which I think, coming from the ordinary citizens, is a pretty good indication of what they want. Thank you.

ASSEMBLYWOMAN KALIK: Alfred Brown?

A L F R E D H . B R O W N: Good afternoon, members of the Committee. My name is Alfred Brown and I live in Pittman. I've worked at the racetrack for a good many years. I'm very much in favor of your bill #275. It has caused undue hardship on all the people who worked at that track due to it burning down and no action being taken. I, myself, have lost revenue and I was forced into early retirement at a reduced rate because I could not commute back and forth to Monmouth where I could have continued at Garden State. I think that South Jersey deserves this complex and I think they should get it. Thank you.

ASSEMBLYWOMAN KALIK: Is there anyone else who wishes to speak before the Committee? Yes, sir?

A R M O N D C E R I T A N O: My name is Armond Ceritano. I'm looking at this as a third party. I have no political interest; I have no self-interest. Who will benefit by this? I've been here since this morning and I heard all kinds of comments. Everyone is looking back. Everyone is looking back 10 years, 12 years. I'd like to look at the future because this is going to be a bill that's going to be valuable in the future. What is New Jersey? What is this track? What are we trying to do? It is merely to make the Garden State the place where people can come from all over the country and enjoy themselves. We have Atlantic City, the beaches, the shores, beautiful land. We have a way to commute and all kinds of facilities. So, the next five or ten years, what I see is a tremendous amount of tourists, especially from Europe, which nobody is looking at. We are now building the East Coast Riviera and the Europeans--me being from Europe--they can't wait until they can come across and bring their money back here which we've been spending for the last 20 years. I've spent a lot of it myself. If I may give you a number, we have \$700 billion new dollars which we can bring back. And, anything that has universal orientation, sports, racing is good. This is not a Cherry Hill matter or a matter for local politicians trying to get themselves ahead. This is now the stage of the world. With the coming future where we have the satellite facilities, we would be able to show our events in Cherry Hill all over Europe. This would be a big prestigious thing. Let's not just look at the little things. Let's take a look at the big picture.

I'm also involved these days with Mr. Ellis because the man decides to rebuild the track, but he wasn't paid. You know, the old story. Lawyers got in, judges got in, litigation here. There are more people involved than there are bricks in the clubhouse. So while we're fighting, it is important to put New Jersey before the world, the globe. Nobody takes that big picture. Everybody is concerned with the circle there, the street, with the restaurant across the street. Let's look at this as a big event. What is needed is very, very simple. Payments and performance puts anything up that you like from the Empire State Building to the little hut down the shore. We have the best men and equipment. We have millions of dollars worth of equipment. Mr. Ellis is willing in a joint venture with the Sports Authority to make this dream baby be born. So, the reaction, I have watched everyone come up, is almost unanimous. It's 90% in favor. So, I'm sure that most of the people have realized after four years of suffering that you cannot have your cake and eat it too. Now, they want to have a racetrack. They want the world to come in and enjoy themselves, bring their families, put them in hotels, but yet they don't want the traffic.

So, what I'm saying in summation is, perhaps, it is necessary in the near future for meetings to take place where discussions of ownership and plans with the State could take place so it would be a united venture to rebuild it, not single-minded people because we cannot afford to have greed and self-gain. So, let's look at the future rather than looking back. If we look at the future, we see a big, big sports stadium and a big, big complex. Thank you and I hope that the bill gets passed.

ASSEMBLYWOMAN KALIK: Is there anyone else? Yes, Ma'am?

SELMA BARNEY: Good afternoon. My name is Selma Barney. I reside at 20 Cooper Avenue, Cherry Hill for 42 years. Previous to that, I lived in Cherry Hill for a total of 54 years in Cherry Hill. I'm very active in community work there also. I have been around. I have watched the children grow and I have two of my own who grew up while the racetrack was there. They had a beautiful life. We had no problems. I also worked there with many of my neighbors and now that the track has been closed down, I have been forced into early retirement. So, I would love to see that track come back. Would you please support it?

ASSEMBLYWOMAN KALIK: Anyone else? Assemblyman Schuck?

ASSEMBLYMAN SCHUCK: I have sat here and some of you may have thought I was looking bored. In the eight years that I have been in the Legislature, I have sat in on many, many public hearings, as every legislator has, and I have never been more impressed with any public as I have with this one. Regardless of which side you're on, there is a lot of feeling and a lot of emotion and it is something that is extremely close to those of us in the southern part of the state. You spent the time, you came up here, the members of the sports arena. You fought hard for four years and if we do nothing in the future with Garden State, I think we owe it to everyone here today to make sure that the members of the Committee vote up or down as quickly as possible on this bill. There is no need, in my opinion, to have it go on any longer and I will urge, personally, every member of the Committee to hopefully get together before the summer is over, if possible. If not, as soon as possible after Labor Day, to take a vote on the bill. And, I will ask for the bill to be released so that the Assembly as a whole has an opportunity to vote on it. I'm not giving a political speech, but I just firmly believe that the interest that was shown here today by all concerned, one way or the other, we have a firm obligation to come up with an answer very, very quickly. Over the years, I have watched it and almost every time it looks like it is going to get rebuilt, something happens. It is an unseen shadow out there. But, we're on the brink right now of making a decision. There is no more private enterprise where we can go this way or that way. We have a bill before us that creates a South Jersey Sports and Exposition Authority and whether the other members of the Committee believe in it as strongly as I do, we still have a responsibility to come up with an answer. So, I would certainly hope that within the next few weeks, or as soon as possible, that decision at least would be made by this Committee and in September the vote will be taken in this Chamber as to whether or not we're going to have Garden State rebuilt.

ASSEMBLYWOMAN KALIK: Just for the information of the people still in attendance, the next step in the process is that the bill is scheduled on the calendar of the Committee for discussion and possible amendments. I can't tell you when that will be. It will be published as the notice of this public hearing was published. Like Assemblyman Schuck, I am hopeful that it will be done within the next couple of weeks and will come to the floor of the Assembly early in September. I think

it has been an interesting public hearing and particularly because three of the Committee members happen to hail from South Jersey. I think that is an unusual number in a Committee viewing a piece of legislation that so directly affects them. I also would like to go on record that I am in support of the Sports Authority, the South Jersey Sports Authority, and have been and will be doing everything possible to see that this bill does get released from this Committee favorably and does get voted on by the full House favorably. Thank you very much.

(HEARING CONCLUDED)



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STATEMENT TO ASSEMBLY STATE GOVERNMENT COMMITTEE
ON ASSEMBLY BILL 275

Mr. Chairman and members of the committee, I want to thank you for giving me this opportunity to speak before you today. As most of you know, on April 14, 1977, while I was Mayor of Cherry Hill Township, my town was hit with a major tragedy. In just a few short hours, our town lost its best known landmark, and it lost two lives in a fire which destroyed the clubhouse and grandstand of the Garden State Racetrack. Just talking about the fire brings back horrible memories for me.

My fellow township council members and I were conducting our regular caucus meeting when we were interrupted with the news of the fire. At first we thought it was a small trash can fire, but as we walked out on the front lawn of the municipal building and saw a wall of fire hundreds of feet high, and thick black smoke billowing westward, we knew quickly that we had a major tragedy to contend with. Luckily the Thursday crowd at the track was not too large, and the fire started in between races, or the loss of lives could have been more numerous. The good work of several hundred local volunteer fire and rescue workers contributed to the low casualty figure.

The ashes of the Garden State Park were still cooling, when the question of rebuilding the track was first asked of its former owner by a television news reporter. Mr. Mori's answer to the question then is still the same answer that public officials give today, "I just don't know."

The day after the fire, the track's damage was observed by Governor Byrne, who flew in on his helicopter from Trenton. At that time he had a more optimistic answer for the people of the area. He promised that the track would be rebuilt. However, it is now four years later, and not one spade of dirt has been moved since the burned out remains were carted away. It has been so long since the fire, many people in the community are willing to say, "let's forget about the track and look to something else." There are still others who are angry about the Governor's unfulfilled promise, who are willing to do anything to get it rebuilt, even if it means creating a state authority to do it.

The long period of stagnation for the track has made the once united community into a divided community. We have the Mayor and some members of council who favor another shopping mall and more condominiums; the Chamber of Commerce which is justifiably afraid of state authorities, the hotel owners and labor unions who want the track back no matter what, and a citizenry that is not quite sure they want the track back, but they are sure they do not want another mall and more condominiums. The town is in such an uproar over this issue, and has been for the past four years, that it is time for the Legislature to either put up or shut up. Dragging out the problem any longer is not in the region's best

interest.

In my opinion, there is a need for an authority in South Jersey which would be in the position to provide for the construction of a convention center, or race track. The success of the Garden State Racetrack prior to the fire, and the success of the Keystone Racetrack since the fire are indications that a racetrack in the Camden County area can be profitable. Garden State Park used to be the state's number one taxpayer. Why should we allow Pennsylvania to be the new beneficiary of what used to be our tax revenues.

The region is also in dire need of a convention center. We have several new hotels whose occupancy rates have been lower since the track burned down. If the authority or the people decide we shouldn't rebuild the track, a medium sized convention facility should help replace the lost business. The location is excellent for such a facility because the Camden County area is a short hop from Philadelphia and Atlantic City. I seem to recall that one of the justifications for the Meadowlands complex was its excellent location. The same can be said for a South Jersey facility. The best thing for the economy of the region would be the construction of both facilities.

However practical and economical it might be to create an authority for the region, one should take note of the draw backs, and try to amend the bill so we can improve upon the process. First of all, I believe that Cherry Hill or any other town, should not be forced to have the authority within its borders. There should be a provision in the bill which would require a municipal referendum before the authority may build a facility in a

municipality. Cherry Hill has taken my advice, and has scheduled a referendum on the issue this fall. Such a referendum should be a part of the process for any other municipality to accept such an authority. Without the public's support, the success of such a facility could be in danger.

Secondly, local representation on the authority should be guaranteed. The experience at the Meadowlands has shown that at times there can be a polarization between governing bodies and an authority. Such a situation is not healthy for a community. It should not be forced to endure such unpopular events as rock concerts. Guaranteed representation would insure municipal input into the process.

Additionally, a municipality should not have to suffer financially because of the authority. In-lieu-of-tax payments and reimbursements for extra police, fire and ambulance services, should be required. The authority should also be responsible for making necessary transportation improvements in and around the facility so traffic will be less of a problem.

Finally, I would like to reemphasize that Cherry Hill not be the only site considered. Although I believe Cherry Hill to be the best site, and the best suited city to handle such facilities, it does not mean that other locations might not be feasible. Deptford Township with its excellent highway connections, and large open areas could be a close second.

The reason I ask that we not limit ourselves to Cherry Hill is because the authority is most important for all of Southern New Jersey. The creation of an authority for Southern New Jersey, no

matter where it decides to build its facilities, will be of benefit for the entire region and the state.

The Camden County area is not short of unemployed workers. It ranks with the more urban counties of Essex and Hudson in that category. Rebuilding a racetrack, and building a convention center would be a natural compliment for the existing economy, bring new jobs to the region, and helping the state's overall revenue problems. Wouldn't it be nice not to have to use creative bookkeeping to balance the state budget? Wouldn't it be nice to put a few thousand people back to work?

I ask you ladies and gentlemen to carefully consider the testimony you are hearing today. Please consider the amendments which others and I have suggested, and move to settle this problem once and for all. Inaction on our part as legislators will only continue to breed the confusion and frustration that my constituents are experiencing.

Thank you!

