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P.H. ON ATLANTIC CITY
REGIONAL COMMISSION ACT

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PUBLIC HEARING

before

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

on

A-1950

"Atlantic City Regional Commission Act"

Held:

November 20, 1980

City Hall

Atlantic City, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Vincent O. Pellecchia, Chairman
Assemblyman Herman T. Costello, Vice-Chairman
Assemblyman John A. Girgenti
Assemblyman W. Cary Edwards

ALSO:

James Wunsch, Research Associate
Office of Legislative Services
Aide, Assembly Municipal Government Committee

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James Yeager	18
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Assemblyman William L. Gormley District #2	26
Senator Steven P. Perskie District #2	29
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ASSEMBLY, No. 1950

STATE OF NEW JERSEY

INTRODUCED JUNE 26, 1980

By Assemblymen PATERO, BORNHEIMER, T. GALLO, DEVERIN,
SCHWARTZ, OTLOWSKI, BROWN, Assemblywoman GARVIN,
Assemblymen COWAN, KARCHER and PATERNITI

Referred to Committee on Municipal Government

AN ACT to facilitate meeting certain regional developmental needs induced by the advent and growth of casino gaming in Atlantic City; creating the Atlantic Regional Commission; providing for the funding thereof; and amending the "Casino Control Act," approved June 2, 1977 (P. L. 1977, c. 110).

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

1 1. (New section) Sections 1 through 21 of this act shall be
2 known and may be cited as the "Atlantic Regional Commission Act."

1 2. (New section) The Legislature finds and declares that casino
2 gaming in Atlantic City is proving to be an effective way to pro-
3 mote the urban redevelopment of Atlantic City and the State's
4 resort, tourist and convention industry; that nevertheless, the rapid
5 growth of Atlantic City and its region is increasing pressure on
6 the housing supply, social services and public facilities of the At-
7 lantic City region, resulting in already serious and worsening
8 shortages; that many persons and families residing in the region
9 are living in overcrowded or other substandard housing conditions
10 or paying more than they can afford for housing; and that the
11 escalating value of land in the region is exerting pressure on less
12 profitable but socially necessary uses occupying this land, including
13 rental housing serving senior citizens and low and moderate income
14 families, nursing homes and other health care facilities and day
15 care facilities.

16 The Legislature further finds and declares that the impacts of
17 the rapid growth of the Atlantic City region should be addressed
18 by coordinated and comprehensive programs and policies; that the
19 development and benefits resulting from casino gaming should be
20 fairly allocated among all municipalities and income groups in the

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

21 region; that the social service needs of disadvantaged persons in
 22 the region for adequate housing, equal employment opportunity,
 23 health care and other services should be addressed as part of the
 24 overall development of the region; and that the activities under-
 25 taken to achieve these programs should be consistent with the
 26 State's policies for conservation of natural and recreational re-
 27 sources.

1 3. (New section) As used in this act:

2 a. "Adjustment year" means the year in which the respective
 3 obligations of the intermunicipal account and the constituent mu-
 4 nicipalities of the district are due and payable.

5 b. "Apportionment rate" means a rate determined as follows:

6 (1) The total property taxes levied for local, school, and veteran
 7 and senior citizens purposes, as certified pursuant to R. S. 54:4-52,
 8 of the municipality in the comparison year, divided by

9 (2) The aggregate true value of real estate located in the mu-
 10 nicipality, both within and without the district in the comparison
 11 year, as determined by the Director of the Division of Taxation
 12 on October 1 of the comparison year, pursuant to P. L. 1954, c. 86
 13 (C. 54:1-35.1 et seq.), as the same may have been modified by the
 14 Tax Court.

15 c. "Atlantic adjustment payment" means the amount that is pay-
 16 able by each constituent municipality to the intermunicipal account,
 17 or the amount that is payable by the intermunicipal account to each
 18 municipality, as the commission shall determine the case to be
 19 pursuant to the provisions of this act.

20 d. "Commission" means the Atlantic Regional Commission cre-
 21 ated by section 4. of this act.

22 e. "Base year" means the calendar year 1980.

23 f. "Comparison year" means the second calendar year preceding
 24 the adjustment year.

25 g. "Intermunicipal account" means the administrative device
 26 established and administered by the commission to record all the
 27 transactions made pursuant to this act for the purpose of calculat-
 28 ing the adjustment payment for each constituent municipality, and
 29 to act as the clearinghouse for the transfer of the Atlantic adjust-
 30 ment payments among the constituent municipalities as required
 31 by this act.

32 h. "Resident enrollment" means the number of full-time pupils
 33 who are residents of the school district and who are enrolled in day
 34 schools on the last day of September during the school year in
 35 which calculation of aid is made and are attending the public schools

36 of the school district in a school to which the school district of
37 residence pays tuition.

38 i. "District" means the Atlantic Regional District as provided
39 for in subsection b. of section 7 of this act.

1 4. (New section) a. There is established a public body corporate
2 and politic, with corporate succession, to be known as the "Atlantic
3 Regional Commission." The commission shall constitute a political
4 subdivision of the State established as an instrumentality exercise-
5 ing essential governmental functions, and the exercise by the com-
6 mission of the powers and duties conferred herein by this act shall
7 be held to be an essential governmental function of the State. For
8 the purpose of complying with provisions of Article V, Section IV,
9 paragraph 1 of the New Jersey Constitution the commission is
10 hereby allocated within the Department of Community Affairs, but,
11 notwithstanding the allocation, the commission shall be independent
12 of any supervision or control by the department or by the commis-
13 sioner or any officer or employee thereof.

14 b. The commission shall consist of 11 members appointed and
15 qualified as follows:

16 (1) Six ex-officio members: the Commissioners of the State De-
17 partments of Community Affairs, Human Services, Environmental
18 Protection and Transportation; the county executive of the county
19 of Atlantic and the mayor of the city of Atlantic City. Each ex-
20 officio member of the commission may designate an officer or em-
21 ployee of his department to represent him at meetings of the
22 commission, and each designee may lawfully vote and otherwise
23 act on behalf of the member for whom he constitutes the designee.
24 Any designation shall be in writing, delivered to the commission
25 and filed with the office of the Secretary of State and shall continue
26 in effect until revoked or amended in the same manner as provided
27 for designation.

28 (2) Five residents of the State appointed by the Governor with
29 the advice and consent of the Senate of whom there shall be three
30 residents from the county of Atlantic and two residents from coun-
31 ties other than Atlantic.

32 c. Each ex-officio member shall serve on the commission during
33 his term of office and shall be succeeded by his successor in office.
34 Each member appointed by the Governor shall serve for a term
35 of 5 years; provided that of the first members appointed by the
36 Governor one shall serve for a term of 1 year, two for a term of 3
37 years and two for a term of 5 years. Each member shall serve for
38 the term of his appointment and until his successor shall have been

39 appointed and qualified. Any vacancy shall be filled in the same
40 manner as the appointment for the unexpired term only.

41 d. Any member of the commission may be removed by the Gov-
42 ernor for cause.

43 e. Each member of the commission before entering upon his
44 duties shall take and subscribe an oath to perform the duties of
45 his office faithfully, impartially and justly to the best of his ability.
46 A record of the oaths shall be filed with the office of the Secretary
47 of State.

48 f. The members of the commission shall serve without compen-
49 sation, but the commission may reimburse its members for neces-
50 sary expenses incurred in the discharge of their duties.

51 g. The powers of the commission shall be vested in the members
52 thereof in office and a majority of the total authorized membership
53 of the commission shall constitute a quorum at any meeting thereof.
54 Action may be taken and motions and resolutions adopted by the
55 commission at any meeting thereof by the affirmative vote of a
56 majority of the quorum, unless in any case the bylaws of the com-
57 mission or any of the provisions of this act shall require a larger
58 number; provided that the commission may designate one or more
59 of its agents or employees to exercise such administrative functions,
60 powers and duties as it may deem proper, under its supervision
61 and control. No vacancy in the membership of the commission shall
62 impair the right of the quorum to exercise all the rights and per-
63 form all the duties of the commission.

64 h. The Commissioner of Community Affairs or his designee shall
65 serve as the chairman of the commission. The commission shall
66 select from its members a vice chairman. The commission shall
67 appoint an executive director who shall serve as the chief adminis-
68 trative officer thereof. The executive director shall serve at the
69 pleasure of the commission, and shall be a person qualified by
70 training and experience to perform the duties of his office.

71 i. A true copy of the minutes of every meeting of the commission
72 shall be prepared and forthwith delivered to the Governor. No
73 action taken at a meeting by the commission shall have force or
74 effect until 10 days, exclusive of Saturdays, Sundays and public
75 holidays, after a copy of the minutes shall have been so delivered.
76 If, in the 10-day period, the Governor returns the copy of the
77 minutes with a veto of any action taken by the commission at the
78 meeting, the action shall be null and void and of no force and effect.

1 5. (New section) No member, officer, employee or agent of the
2 commission shall be financially interested, either directly or in-
3 directly, in any project or any part of a project area (other than

4 a residence) or in any contract, sale, purchase, lease or transfer
5 of real or personal property to which the commission is a party.

6 Any contract or agreement knowingly made in contravention of
7 this section is voidable.

8 Any person who shall willfully violate any of the provisions of
9 this section shall forfeit his office or employment and shall be guilty
10 of a crime of the fourth degree.

1 6. (New section) On or before July 1 in each year the commis-
2 sion shall make an annual report of its activities for the preceding
3 calendar year to the Governor and to the Legislature. Each report
4 shall set forth a complete operating and financial statement cover-
5 ing its operations during the year.

1 7. (New section) a. The Atlantic Regional Commission shall
2 have the following powers:

3 (1) To adopt and from time to time amend and repeal suitable
4 bylaws for the management of its affairs;

5 (2) To adopt and use an official seal and alter the same at its
6 pleasure;

7 (3) To maintain an office at such place or places in the county
8 of Atlantic as it may designate;

9 (4) To sue and be sued in its own name;

10 (5) To appoint, retain and employ, without regard to the pro-
11 visions of Title 11 of the Revised Statutes but within the limits of
12 funds appropriated or otherwise made available for such purposes,
13 any officers, agents, employees and experts as it may require, and
14 to determine the qualifications, terms of office, duties, services and
15 compensation therefor;

16 (6) To apply for, receive, and accept, from any Federal, State,
17 or other public or private source, grants or loans for, or in aid of,
18 the commission's authorized purposes;

19 (7) To enter into any and all agreements or contracts, execute
20 any and all instruments, and do and perform any and all acts or
21 things necessary, convenient, or desirable for the purpose of the
22 commission or to carry out any power expressly given in this act;

23 (8) To conduct examinations and investigations, to hear testi-
24 mony, taken under oath at public or private hearings, on any ma-
25 terial matter, and to require attendance of witnesses and the pro-
26 duction of books and papers;

27 (9) To prepare, promulgate, adopt, amend or repeal, pursuant
28 to the provisions of the "Administrative Procedure Act," P. L.
29 1968, c. 410 (C. 52:14B-1 et seq.), such rules and regulations as
30 are necessary in order to implement the provisions of this act;

31 (10) To call to its assistance and avail itself of the services of
32 such employees of any State, county or municipal department,
33 board, commission or agency as may be required and made avail-
34 able for such purposes;

35 (11) To develop and coordinate comprehensive programs for
36 providing services and facilities necessary for the growth of the
37 Atlantic City region, including housing, employment, transporta-
38 tion, health care and other social services;

39 (12) To implement the Atlantic county master plan and the
40 Atlantic City master plan consistent with regional and State poli-
41 cies;

42 (13) To review the impacts of proposed casino hotel projects on
43 public facilities and social services needs of the region, and to rec-
44 ommend to the Casino Control Commission equitable methods for
45 financial support by casino hotel applicants of programs to allevi-
46 ate these impacts;

47 (14) To assure the achievement of equal employment opportunity
48 for all persons in casino hotels and other facilities;

49 (15) To prepare a regional capital investment program identify-
50 ing public facility and social service needs of the region;

51 (16) To facilitate the development of housing, health care and
52 other social service facilities through the exercise of the power of
53 eminent domain, either on its own behalf or on behalf of appro-
54 priate public or private agencies or individuals as set forth in
55 this act;

56 (17) To review and approve projects proposed for investment
57 by casino hotels as eligible projects under section 144 of the "Casino
58 Control Act," P. L. 1977, c. 110 (C. 5:12-144), and to administer
59 the Atlantic Investment Pool; and

60 (18) To administer the intermunicipal tax revenue sharing pro-
61 gram as set forth in this act.

62 b. Except as expressly provided herein, the commission shall
63 exercise its powers within the county of Atlantic, which county for
64 the purposes of this act shall be known as the Atlantic Regional
65 District.

66 c. The commission shall exercise its powers consistent with the
67 Atlantic county master plan, except to the extent that the plan has
68 not been adopted by the governing body of the county of Atlantic
69 or to the extent that the plan may be inconsistent with the com-
70 prehensive management plan pursuant to the "Pinelands Protec-
71 tion Act," P. L. 1979, c. 111 (C. 13:18A-1 et seq.), or the environ-
72 mental design pursuant to the "Coastal Area Facility Review Act,"

73 P. L. 1973, c. 185 (C. 13:19-1 et seq.), the commission shall exercise
 74 its powers consistent with the management plan and environmental
 75 design.

1 8. (New section) a. In order to provide for publicly assisted
 2 housing, health care, and social services facilities, the commission
 3 may acquire by purchase, gift, foreclosure or condemnation any
 4 real or personal property, or any interest therein, and may enter
 5 into any lease of property and hold, sell, assign, lease, encumber,
 6 mortgage or otherwise dispose of any real or personal property,
 7 or any interest therein, or mortgage lien interest owned by it or
 8 under its control, custody or its possession and release or relinquish
 9 any right, title, claim, lien, interest, easement or demand however
 10 acquired, including any equity or right of redemption, in property
 11 foreclosed by it and to do any of the foregoing by public or private
 12 sale, with or without public bidding, notwithstanding the provisions
 13 of any other law.

14 b. The commission with regard to any low or moderate income
 15 housing project in the county of Atlantic undertaken by the New
 16 Jersey Housing Finance Agency or the county improvement au-
 17 thority of the county of Atlantic, may waive the requirement for
 18 a municipal resolution reciting that there is a need for low and
 19 moderate income housing projects in a municipality, as would other-
 20 wise be required by section 3 of chapter 275 of P. L. 1979
 21 (C. 40:37A-108) and section 6 of chapter 81 of P. L. 1967
 22 (C. 55:14J-6).

1 9. (New section) a. The commission shall prepare and maintain
 2 a capital investment plan containing its proposals for State spend-
 3 ing on capital projects within or affecting the district. This plan
 4 shall contain:

5 (1) A detailed program of all State and Federal capital invest-
 6 ment projects proposed for the district, and, at its option, local
 7 and private capital projects.

8 (2) Information to the effect of such capital projects on the
 9 operating expenses of State agencies.

10 (3) Recommendations as to the priority of such capital projects
 11 and means of funding them.

12 (4) A review of capital projects which have recently been im-
 13 plemented or completed or are in the process of implementation or
 14 completion.

15 (5) Such other information as the commission deems relevant.

16 (6) Forecasts as to requirements for capital projects for the
 17 following 4 fiscal years, or other longer period as may be deemed
 18 necessary or desirable.

19 (7) An estimate as to the sufficiency of capital funds to meet
20 forecast needs.

21 b. An approved copy of this plan shall be submitted to the Gov-
22 ernor, the Commission on Capital Budgeting and Planning and
23 the Legislature no later than December 31 of each year following
24 its adoption by the commission.

25 c. The commission shall review any bill introduced in either
26 House of the Legislature which makes provision for an appropria-
27 tion by the State for a capital project, within the district, or for
28 the authorization of the issuance of bonds, notes or other evidence
29 of indebtedness of the State. The commission shall study the
30 necessity, desirability and relative priority of such appropriation
31 or indebtedness by reference to the plan or otherwise. The com-
32 mission shall promptly prepare and forward its recommendations
33 on the bill to the House in which it was introduced.

34 d. No State funds shall be expended for capital projects within
35 the district or Federal funds administered by State agencies ex-
36 pended for the construction of capital projects within the district,
37 without the review and approval of the commission.

38 e. The commission shall adopt a program of priorities for the
39 planning and development of public and private projects eligible
40 for contributions pursuant to subsection d. of section 144 of the
41 "Casino Control Act," P. L. 1977, c. 110 (C. 5:12-144). Priority
42 shall be assigned based on the contribution of the project to meet-
43 ing needs created directly or indirectly by casino gaming. In
44 preparing the priority program the commission shall work closely,
45 consult and cooperate with the Commission on Capital Budgeting
46 and Planning, locally elected officials and community leaders.

47 f. Notwithstanding any other provision of this act, the commis-
48 sion shall have the authority to plan for investments outside the
49 boundaries of the district in order to integrate capital facilities
50 within the district with facilities outside the district, to extend the
51 benefits of casino gaming to all residents of the State, and to other-
52 wise enhance the general welfare of the people of the State.

1 10. (New section) There is established the Atlantic Investment
2 Pool, which shall consist of all moneys paid by the licensees pur-
3 suant to subsection b. of section 144 of the "Casino Control Act,"
4 P. L. 1977, c. 110 (C. 5:12-144). The pool shall be administered
5 by the Atlantic Regional Commission. Moneys paid into the pool
6 by each licensee may be invested by the commission through limited
7 partnership or other financial arrangement in priority projects
8 identified by the commission pursuant to subsection e. of section 9
9 of this act.

1 11. (New section) Any variance pursuant to subsection d. of
 2 section 57 of the "Municipal Land Use Law," P. L. 1975, c. 291
 3 (C. 40:55D-70) granted by the zoning board of adjustment of the
 4 city of Atlantic City which is inconsistent with the master plan
 5 adopted by the planning board of the city, any zoning ordinance of
 6 the city which is so inconsistent, and any amendment to the land
 7 use element of the master plan shall not take effect until reviewed
 8 and approved by the commission as furthering the purposes of
 9 this act, the "Municipal Land Use Law," P. L. 1975, c. 291
 10 (C. 40:55D-1 et seq.) and the "Casino Control Act," P. L. 1977,
 11 c. 110 (C. 5:12-1 et seq.).

1 12. (New section) a. The Atlantic Regional Commission shall
 2 advise the Casino Control Commission concerning the adequacy of
 3 the submission of the casino license applicant on the effect of the
 4 casino proposal on the overall environment pursuant to subsection
 5 e. of section 84 of the "Casino Control Act," P. L. 1977, c. 110
 6 (C. 5:12-84) with regard to the economic, equal employment op-
 7 portunity, environmental, health and health care, housing, public
 8 welfare, social and transportation impacts and shall recommend
 9 conditions to the license to mitigate or avoid any deleterious eco-
 10 nomic, environmental, equal employment opportunity, health and
 11 health care, housing, public welfare, social and transportation im-
 12 pacts which could result from the granting of a license.

13 b. The Casino Control Commission shall provide a reasonable
 14 opportunity for the Atlantic Regional Commission to provide its
 15 advice and recommendations as provided in subsection a. of this
 16 section. The Casino Control Commission shall incorporate the rec-
 17 ommendations of the commission as conditions of a casino license
 18 unless it establishes good cause in writing for failing to do so.
 19 Further, the Casino Control Commission may incorporate in part
 20 or in modified form the commission recommendations providing
 21 that it establishes good cause in writing for its partial inclusion
 22 or modification.

1 13. (New section) The laws relating to the assessment and tax-
 2 ation of real and personal property shall apply to all constituent
 3 municipalities unless otherwise specifically provided in this act.

1 14. (New section) On or before November 15, 1981, and on or
 2 before November 15 of each year thereafter, the secretary, super-
 3 intendent or a person designated by the school board of each school
 4 district of each constituent municipality shall certify to the com-
 5 mission the resident enrollment as of September 30 of that year.
 6 The certification shall show the number of pupils who reside within

7 the district and the number who reside outside, in a manner to be
8 prescribed by the Commissioner of the Department of Education.

1 15. (New section) In the adjustment year 1983, and in each
2 adjustment year thereafter, the commission shall establish an in-
3 termunicipal account and shall compute the amount payable to the
4 account by each of the constituent municipalities and the amount
5 due to each municipality from the account for that year pursuant
6 to this act.

1 16. (New section) a. As used in this section, except as otherwise
2 specifically provided:

3 (1) The increase or decrease in aggregate true value of real
4 estate for any adjustment year shall be the difference between

5 (a) The aggregate true value of that portion of taxable real
6 property exclusive of Class II railroad property, in the munici-
7 pality located within the district in the comparison year, and

8 (b) The aggregate true value of said property in the base
9 year.

10 (2) Aggregate true value of real estate shall be determined
11 by aggregating the assessed value of all real property within the
12 district boundaries in each constituent municipality, and dividing
13 said total by the average assessment ratio as promulgated by the
14 Director of the Division of Taxation in the Department of the
15 Treasury for State school aid purposes on October 1 of the respec-
16 tive years for which aggregate true value is to be determined,
17 pursuant to P. L. 1954, c. 86 (C. 54:1-35.1 et seq.) as the same may
18 have been modified by the tax court.

19 (3) For the purpose of calculating aggregate true value, the
20 assessed value of taxable real property for any given year shall
21 comprise:

22 (a) The assessed value shown on the assessment duplicate
23 for such year, as certified by the county board of taxation and
24 reflected in the county table of aggregates prepared pursuant
25 to R. S. 54:4-52, as the same may be modified by the county
26 board of taxation upon appeal, plus

27 (b) The prorated assessed values pertaining to such year,
28 as certified by the county board of taxation on or before
29 October 10, with respect to the assessor's added assessment list
30 for such year, as the same may be modified by the county board
31 of taxation upon appeal; plus

32 (c) The assessed values pertaining to such year, as certified
33 by the county board of taxation on or about October 10, with
34 respect to the assessor's omitted property assessment list for

35 such year, as the same may be modified by the county board
36 of taxation upon appeal.

37 b. The amount payable to the intermunicipal account by each
38 constituent municipality in any adjustment year shall be deter-
39 mined in the following manner: the apportionment rate calculated
40 for the comparison year shall be multiplied by one-half the increase,
41 if any, in aggregate true value of taxable real property for such
42 year.

43 c. If, during any comparison year, a constituent municipality
44 has received payment in lieu of real estate taxes on property lo-
45 cated within the district, then, for the purpose of calculating the
46 increase or decrease in the municipality's aggregate true value
47 under subsection a.(1) of this section there shall be added to the
48 aggregate true value otherwise determined for such comparison
49 year and amount determined by dividing the amount of said in lieu
50 payment by the municipal tax rate for the comparison year and
51 dividing the result by the average assessment ratio for school aid
52 purposes as promulgated by the Director of the Division of Tax-
53 ation, as same may have been modified by the tax court.

1 17. (New section) For school district services, the service pay-
2 ment payable by the intermunicipal account to any constituent
3-4 municipality in any adjustment year shall be found by dividing:

5 a. The total local school tax levy, as shown on the table of aggre-
6 gates pursuant to R. S. 54:4-52 for the comparison year, by the

7 b. School resident enrollment on September 30 of such compari-
8 son year, as certified pursuant to section 14 of this act, and multi-
9 plying the result by the increase, if any, in resident enrollment
10 within the district boundaries of that constituent municipality be-
11 tween September 30, 1980 and September 30 of the comparison year.

1 18. (New section) a. If, in any adjustment year, the amount
2 payable to the constituent municipalities by the intermunicipal ac-
3 count for service payments, and the payment for the cost of ad-
4 ministration of the intermunicipal account is less than the amount
5 payable to the intermunicipal account pursuant to section 16, of
6 this act, publicly assisted housing payments shall be made to each
7 constituent municipality based on the following:

8 (1) Multiplying the number of dwelling units within elderly
9 publicly assisted housing in the qualifying municipality by the
10 replacement cost per unit for such elderly dwelling units;

11 (2) Multiplying the number of dwelling units within family
12 publicly assisted housing in the qualifying municipality by the
13 replacement cost per unit for such family dwelling units;

14 (3) Adding the products resulting from subsections a. and b.
15 of this section;

16 (4) Multiplying the sum resulting from subsection c. of this
17 section by the effective tax rate of the qualifying municipality; and

18 (5) Deducting from the product resulting from subsection d.
19 of this section, the amount of in lieu tax payments received or to
20 be received by the qualifying municipality in the pre-tax year in
21 accordance with the resolution, ordinance or law of the governing
22 body of the municipality.

23 For the purpose of this section, replacement costs for elderly
24 publicly assisted housing dwelling units shall be \$22,000.00 per
25 dwelling unit. Replacement costs for family publicly assisted
26 units shall be \$25,000.00 per dwelling unit.

27 In the event of insufficient funds, the publicly assisted housing
28 payments shall be prorated.

29 In the event of a balance, it shall be apportioned among the con-
30 stituent municipalities in the same ratio as the number of post-1980
31 constructed nonluxury and nonpublicly assisted housing units of
32 each constituent municipality bears to the total of such units in
33 the district, and shall be known as an apportionment payment.

34 b. As used in this section, unless the context clearly indicates
35 otherwise:

36 (1) "Apportionment valuation" means the net valuation on which
37 county taxes are apportioned among the municipalities of the
38 county, as defined in R. S. 54:4-49.

39 (2) "Effective tax rate" means, with respect to each municipality,
40 the municipal purposes tax levy on which the local tax rate is
41 computed for the pretax year divided by the apportionment valua-
42 tion for the pretax year, as defined in R. S. 54:4-49, which rate
43 shall be the same rate as used by the Director of the Division of
44 Taxation in computation of revenue sharing funds due to munici-
45 palities pursuant to P. L. 1976, c. 73 (C. 54A:10-1 et seq.).

46 (3) "Elderly publicly assisted housing project" means any pub-
47 licly assisted housing as defined in this section which limits ad-
48 mission to persons who are 62 years of age or over, or to families,
49 the head of which or his spouse, is 62 years of age or older.

50 (4) "Family publicly assisted housing project" means any pub-
51 licly assisted housing as defined in this section which does not
52 limit admission to persons 62 years of age or over or to families, the
53 head of which or his spouse, is 62 years of age or older.

54 (5) "In lieu of tax payment" means the moneys paid in lieu or
55 instead of real property taxes by a publicly assisted housing project

56 to a qualifying municipality pursuant to a resolution, ordinance,
57 or law of the governing body of said municipality.

58 (6) "Qualifying municipality" means any constituent munici-
59 pality which contains publicly assisted housing as defined in this
60 section.

61 (7) "Tax year" means the calendar year during which the pub-
62 licly assisted housing payment is made.

63 (8) "Nonluxury housing" means publicly assisted housing and
64 housing with an initial sale price within 125% of the mortgage loan
65 limit established by the New Jersey Mortgage Finance Agency.

66 (9) "Post-1980 constructed" means built in accordance with a
67 construction permit issued after December 31, 1980.

68 (10) "Publicly assisted housing" means any building or complex
69 of buildings used for the primary purpose of providing decent,
70 safe and sanitary dwelling units for individuals or families and
71 which:

72 (a) Has received a certificate of occupancy from a qualify-
73 ing municipality;

74 (b) Has been constructed after 1980 and operates under the
75 provisions of any one of the following laws:

76 "Local Housing Authorities Law," P. L. 1938, c. 19
77 (C. 55:14A-1 et seq.);

78 "Redevelopment Companies Law," P. L. 1944, c. 169
79 (C. 55:14D-1 et seq.);

80 "Urban Development Law," P. L. 1946, c. 52
81 (C. 55:14E-1 et seq.);

82 "Limited-Dividend Nonprofit Housing Corporations or
83 Associations Law," P. L. 1949, c. 184 (C. 55:16-1 et seq.);

84 "The State Housing Law of 1949," P. L. 1949, c. 303
85 (C. 55:14H-1 et seq.);

86 "Urban Renewal Corporation and Association Law of
87 1961," P. L. 1961, c. 40 (C. 40:55C-40 et seq.);

88 "Senior Citizens Nonprofit Rental Housing Tax Law,"
89 P. L. 1965, c. 92 (C. 55:14I-1 et seq.);

90 "Urban Renewal Nonprofit Corporation Law of 1965,"
91 P. L. 1965, c. 95 (C. 40:55C-77 et seq.);

92 "New Jersey Housing Finance Agency Law of 1967,"
93 P. L. 1967, c. 81 (C. 55:14J-1 et seq.); P. L. 1979, c. 275;

94 (c) Has received a total or partial exemption from real
95 property taxation pursuant to any of the laws set forth in
96 subsection (10)(b), of this section, and

97 (d) Has limited admission to the housing project to indi-
 98 viduals or families whose gross aggregate family income, at
 99 the time of admission, does not exceed the amount provided
 100 for under section 10 of the "New Jersey Housing Finance
 101 Agency Law of 1967" (P. L. 1967, c. 81, C. 55:14J-10).

1 19. (New section) The commission shall be reimbursed annually
 2 from the intermunicipal account for the cost of administering and
 3 determining the payments due to or payable from the account. The
 4 cost of administering the intermunicipal account shall be trans-
 5 ferred from the account to the commission and shall be shown on
 6 the operating budget of the commission as a line item.

1 20. (New section) If, in any adjustment year, the amount pay-
 2 able to the constituent municipalities by the intermunicipal account
 3 for service payments, plus the cost of administering the inter-
 4 municipal account exceeds the amount payable to said account
 5 pursuant to section 16. of this act, the total service payments pay-
 6 able to all constituent municipalities shall be reduced by the amount
 7 of the deficit and the service payment payable to each constituent
 8 municipality shall be reduced by the same ratio as the total service
 9 payment to all constituent municipalities was reduced.

1 21. (New section) a. On or before February 1, 1981 and on or
 2 before February 1 of each year thereafter, the commission shall
 3 certify to the chief financial officer of each constituent municipality
 4 an amount known as the Atlantic adjustment payment. The At-
 5 lantic adjustment payment for each constituent municipality shall
 6 be determined by adding all the payments payable to that munici-
 7 pality from the intermunicipal account for school district service
 8 payments, publicly assisted housing payments and apportionment
 9 payments, if any, and by subtracting therefrom the obligations of
 10 that municipality to the intermunicipal account, as calculated pur-
 11 suant to sections 18. and 16. of this act.

12 b. If the Atlantic adjustment payment for any constituent mu-
 13 nicipality in any adjustment year is payable to the constituent
 14 municipality, the amount of said payment shall be identified in
 15 the municipal budget of that municipality for that year as "At-
 16 lantic adjustment" within the category "miscellaneous revenues
 17 anticipated," and shall be due and payable in three equal install-
 18 ments to be made by the intermunicipal account to that municipality
 19 on May 15, August 15, and November 15 of that year.

20 c. If the Atlantic adjustment payment for any constituent mu-
 21 nicipality in any adjustment year is payable to the intermunicipal
 22 account, the amount of said payment shall be entered as a special

23 line item appropriation in the budget of the municipality for that
 24 year and shall be payable in three equal installments to be made
 25 by the municipality to the account on May 15, August 15, and
 26 November 15 of that year. No transfers may be made from said
 27 appropriation except as is herein provided.

28 In addition to the exceptions from the limitations on final ap-
 29 propriations in municipal budgets permitted under section 3 of
 30 P. L. 1976, c. 68 (C. 40A:4-45.3), there will be excepted from such
 31 limitations any amount required to be paid by any constituent
 32 municipality of the Atlantic Regional District to the intermunicipal
 33 account.

1 22. Section 144 of P. L. 1977, c. 110 (C. 5:12-144) is amended to
 2 read as follows:

3 144. Tax on Gross Revenues. a. There is hereby imposed an
 4 annual tax on gross revenues as defined in section 24 of this act
 5 in the amount of 8% of such gross revenues; but upon the effective
 6 date of this amendatory act, the tax shall be 12% of such gross
 7 revenues when two or three licensed casinos are in operation, 10%
 8 when four licensed casinos are in operation, and 8% when five or
 9 more licensed casinos are in operation; provided, however, that if
 10 a third casino is not in operation by April 1, 1980, the tax rate for
 11 two casinos shall be 14% for that portion of fiscal year 1980 that
 12 the third casino is not in operation and the full tax payment shall
 13 be made prior to July 1, 1980.

14 b. Commencing with the first annual tax return of a licensee for
 15 any calendar year beginning after December 31, 1978, and based
 16 upon a determination that in said return or any annual return
 17 thereafter the gross revenue of a licensee in the calendar year
 18 upon which the tax is based exceeds the cumulative investments in
 19 this State of said licensee as of that year, such licensee shall ~~make~~
 20 investments in ~~pay into the Atlantic Investment Pool~~ an amount
 21 not less than 2% of the gross revenue for said calendar year ~~within~~
 22 ~~a period of 5 years from the end of said calendar year~~. Fifty
 23 percent of the ~~investments required~~ ~~moneys paid into the pool~~
 24 as a result of any of the three annual tax returns commencing with
 25 the first annual tax return for any calendar year beginning after
 26 December 31, 1978 shall be ~~made~~ *invested* in the municipality
 27 in which the licensed premises are located, and 50% of such ~~in-~~
 28 ~~vestment~~ ~~moneys~~ shall be ~~made~~ *invested* in any other munici-
 29 ~~pality of this State. Twenty five percent of investments required~~
 30 ~~moneys paid into the pool~~ as a result of any annual tax return
 31 subsequent to the third such return in a series of returns the first
 32 of which is for a calendar year beginning after December 31, 1978

33 shall be ~~made~~ *invested* in the municipality in which the licensed
 34 premises are located, and 75% shall be ~~made~~ *invested* in any
 35 other municipality of this State.

36 All ~~investments and~~ cumulative investments made pursuant to
 37 this article shall be subject to a determination by the ~~commission~~
 38 *Atlantic Regional Commission* as to the eligibility of such invest-
 39 ments. ~~In determining eligibility, the commission shall consider~~
 40 the public interest, including the social and economic benefits to
 41 be derived from such investments for the people of this State.]

42 c. For the purposes of this article, "investments" means equity
 43 investments in land and real property on which improvements are
 44 made and in real property improvements. For the purpose of this
 45 article, "cumulative investments" means investments in ~~and debt~~
 46 ~~financing of~~ the licensed premises, plus ~~other investments in~~
 47 and debt financing of land and real property on which improvements
 48 are made and real property improvements; provided, however, that
 49 the investments and debt financing not associated with the licensed
 50 premises have been subsequent to July 6, 1976] *investments made*
 51 *through the Atlantic Investment Pool*. Real property and real
 52 property improvements sold or otherwise disposed of by the licen-
 53 see shall not be included for the purposes of determining cumula-
 54 tive investments.

55 d. For the purposes of satisfying the amount of investments in
 56 any given year and of determining cumulative investments as of
 57 any given year, pursuant to subsection b., contributions of money
 58 or realty shall be included if the ~~commission~~ *Atlantic Regional*
 59 *Commission* determines that such contributions ~~best serve the~~
 60 public interest and either (1) directly relate to the improvement,
 61 furtherance, and promotion of the tourist industry in this State
 62 through the planning, acquisition, construction, improvement,
 63 maintenance and operation of recreational, entertainment, and
 64 other facilities for the public, including, without limitation, a per-
 65 forming arts center, the beaches and shore front of this State, and
 66 transportation facilities providing or enhancing service in resort
 67 areas of this State, or (2) directly relate to the improvement, fur-
 68 therance, and promotion of the health and well-being of the people
 69 of this State through the planning, acquisition, construction, im-
 70 provement, and maintenance, and operation of a facility, project
 71 or program approved by the commission] *are eligible pursuant to*
 72 *subsection c. of section 9. of the "Atlantic Regional Commission*
 73 *Act."*

74 e. In the event that the **investments** *payments* required in
 75 subsection b. of this section are not made within **the time set forth**
 76 **therein** *1 calendar year of the year for which the payment amount*
 77 *was calculated*, there shall be imposed an investment alternative
 78 tax in an amount equivalent to 2% of gross revenue, which tax
 79 shall be added to the tax determined under subsection a. of this
 80 section and shall be due and payable in accordance with this sec-
 81 tion. For purposes of determining whether the investment alter-
 82 native tax shall be paid, the State Treasurer shall certify, under
 83 such rules and regulations as he shall promulgate consistent with
 84 the provisions of this article, the amount of cumulative investments
 85 made by each licensee. In the event of the sale or other disposition
 86 of the licensed premises, any investment obligation imposed by
 87 subsection b. which is not satisfied shall be immediately deemed
 88 due and payable as investment alternative tax, and said amount
 89 shall constitute a lien upon the licensed premises until paid, to-
 90 gether with interest at the rate specified in the "State Tax Uniform
 91 Procedure Law," Subtitle 9 of Title 54 of the Revised Statutes;
 92 provided, however, that the appointment of a conservator under
 93 section 31 of P. L. 1978, c. 7, shall not constitute a sale or other
 94 disposition of the licensed premises within the meaning of this
 95 subsection, and provided further, that if, in the judgment of the
 96 commission, a sale or other disposition does not significantly affect
 97 the operations of a casino licensee with respect to such premises,
 98 the commission may permit the investment obligation imposed on
 99 such licensee to continue under such conditions as the commission
 100 may deem appropriate.

101 f. **The commission shall promulgate rules and regulations con-**
 102 **sistent with the provisions of this article as to the eligibility of the**
 103 **investments and cumulative investments required by this article.]**
 104 *Deleted by amendment.*

1 23. Section 84 of P. L. 1977, c. 110 (C. 5:12-84) is amended to
 2 read as follows:

3 84. Any applicant for a casino license must produce information,
 4 documentation and assurances concerning the following qualifica-
 5 tion criteria:

6 a. Each applicant shall produce such information, documentation
 7 and assurances concerning financial background and resources as
 8 may be required to establish by clear and convincing evidence the
 9 financial stability, integrity and responsibility of the applicant,
 10 including but not limited to bank references, business and personal
 11 income and disbursement schedules, tax returns and other reports
 12 filed with governmental agencies, and business and personal ac-

13 counting and check records and ledgers. In addition, each applicant
14 shall, in writing, authorize the examination of all bank accounts
15 and records as may be deemed necessary by the commission or the
16 division.

17 b. Each applicant shall produce such information, documentation
18 and assurances as may be necessary to establish by clear and con-
19 vincing evidence the integrity and reputation of all financial
20 backers, investors, mortgagees, bond holders, and holders of in-
21 dentures, notes or other evidences of indebtedness, either in effect
22 or proposed, which bears any relation to the casino proposal sub-
23 mitted by the applicant or applicants. The reputation and integrity
24 of financial sources shall be judged upon the same standards as the
25 applicant. In addition, the applicant shall produce whatever in-
26 formation, documentation or assurance may be required to estab-
27 lish by clear and convincing evidence the adequacy of financial
28 resources both as to the completion of the casino proposal and the
29 operation of the casino.

30 c. Each applicant shall produce such information, documentation
31 and assurances of good character as may be required to establish
32 by clear and convincing evidence the applicant's good reputation
33 for honesty and integrity. Such information shall include, without
34 limitation, information pertaining to family, habits, character,
35 criminal and arrest record, business activities, financial affairs,
36 and business, professional and personal associates, covering at
37 least the 10-year period immediately preceding the filing of the
38 application. Each applicant shall notify the commission of any
39 civil judgments obtained against any such applicant pertaining to
40 antitrust or security regulation laws of the Federal government,
41 of this State or of any other state, jurisdiction, province or coun-
42 try. In addition, each applicant shall produce letters of reference
43 from law enforcement agencies having jurisdiction in the appli-
44 cant's place of residence and principal place of business, which
45 letters of reference shall indicate that such law enforcement agen-
46 cies do not have any pertinent information concerning the applicant,
47 or if such law enforcement agency does have information pertain-
48 ing to the applicant, shall specify what the information is. If the
49 applicant has conducted gaming operations in a jurisdiction which
50 permits such activity, the applicant shall produce letters of refer-
51 ence from the gaming or casino enforcement or control agency which
52 shall specify the experiences of such agency with the applicant, his
53 associates, and his gaming operation; provided, however, that if
54 no such letters are received within 60 days of request therefor, the
55 applicant may submit a statement under oath that he is or was

56 during the period such activities were conducted in good standing
56A with such gaming or casino enforcement or control agency.

57 d. Each applicant shall produce such information, documentation
58 and assurances as may be required to establish by clear and con-
59 vincing evidence that the applicant has sufficient business ability
60 and casino experience as to establish the likelihood of creation and
61 maintenance of a successful, efficient casino operation. The appli-
62 cant shall produce the names of all proposed casino key employees
63 as they become known and a description of their respective or pro-
64 posed responsibilities, and a full description of security systems
65 and management controls proposed for the casino and related
66 facilities.

67 e. Each applicant shall produce such information, documentation
68 and assurances to establish to the satisfaction of the commission
69 the suitability of the casino and related facilities and its proposed
70 location, and that the proposal will not adversely affect casino
71 operations or overall environmental conditions. Each applicant
72 shall submit an impact statement which shall include, without lim-
73 itation, architectural and site plans which establish that the pro-
74 posed facilities comply in all respects with the requirements of
75 this act, the requirements of the master plan and zoning and plan-
76 ning ordinances of Atlantic City, without any use variance from
77 the provisions thereof, and the requirements of the "Coastal Area
78 Facility Review Act," P. L. 1973, c. 185 (C. 13:19-1 et seq.), a
79 market impact study which analyzes the adequacy of the patron
80 market and the effect of the proposal on such market and on the
81 existing casino facilities licensed under this act; [and] an analysis
82 of the effect of the proposal on the overall environment, including,
83 without limitation, economic, social, demographic and competitive
84 conditions as well as the natural resources of Atlantic City and the
85 State of New Jersey *and a housing opportunity plan which shall*
86 *describe in sufficient detail how employees of the proposed casino*
87 *facility will be housed and how any deleterious impacts of such*
88 *facility on the housing market will be mitigated.*

1 24. Section 143 of P. L. 1977, c. 110 (C. 5:12-143) is amended
2 to read as follows:

3 143. Casino Control Fund. a. There is hereby created and estab-
4 lished in the Department of the Treasury a separate special account
5 to be known as the "Casino Control Fund," into which shall be
6 deposited all license fee revenues imposed by sections 139, 140,
7 141, and 142 of this act.

8 b. Moneys in the Casino Control Fund shall be appropriated,
9 notwithstanding the provisions of P. L. 1976, c. 67 (C. 52:911-5 et

10 seq.), exclusively for the operating expenses of the commission,
 11 **[and]** the division *and the Atlantic Regional Commission*.

1 25. (New section) It is the intent of the Legislature that, except
 2 as otherwise specifically provided in this act, in the event of any
 3 conflict or inconsistency in the provisions of this act and any other
 4 acts pertaining to matters herein established or provided for or
 5 in any rules and regulations adopted under this act or said other
 6 acts, to the extent of such conflict or inconsistency, the provisions
 7 of this act and the rules and regulations adopted hereunder shall
 8 be enforced and the provisions of such other acts and rules and
 9 regulations adopted thereunder shall be of no force and effect.

1 26. (New section) If any section, part, phrase, or provision of
 2 this act or the application thereof to any person be adjudged in-
 3 valid by any court of competent jurisdiction, such judgment shall
 4 be confined in its operation to the section, part, phrase, provision,
 5 or application directly involved in the controversy in which such
 6 judgment shall have been rendered and it shall not affect or impair
 7 the validity of the remainder of this act or the application thereof
 8 to other persons.

1 27. (New section) The object, design and purpose of this act
 2 being the fulfillment of regional needs resulting from casino gam-
 3 ing in Atlantic City, this act shall be liberally construed.

1 28. This act shall take effect immediately.

STATEMENT

The successful development of casino gaming in Atlantic City is occurring at a pace beyond even the most optimistic estimates. Three casino hotels are now in operation with gross revenues of over one-half billion dollars. Eight additional hotels are under construction and plans for another 20 have been revealed. Accompanying this boom has been the creation of over 10,000 new jobs. Millions of dollars in new taxes have been generated to assist the elderly and the handicapped.

This phenomenal development activity, however, is creating certain social, economic and community problems which are by-products of the redevelopment process underway. While many new jobs have been created, traditionally high unemployment rates remain stubbornly high. In addition, equal employment opportunity for those new jobs is not being achieved. Housing demand for virtually the entire spectrum of income groups is not being met. Transportation improvements necessary to meet the needs of hundreds of thousands of new residents and millions of annual visitors are not being made. While recent amendments to the

"county improvement authorities law," P. L. 1960, c. 183 (C. 40:37A-44 et seq.) and the creation of an Atlantic County transportation authority will provide additional capability, the demands on the region require additional help as well as a more comprehensive government response.

The bill creates the Atlantic Regional Commission primarily to resolve these regional development issues. The commission, acting consistently with the Atlantic County master plan, the Pinelands comprehensive management plan and the State's coastal resources policies, would facilitate the construction of new housing and the provision of supporting services throughout Atlantic County. It would advise the Casino Control Commission regarding the community service, economic, environmental, equal employment opportunity, social and transportation consequences of granting any one or more casino licenses; including a requirement that individual casino licenses demonstrate how and where its employees will be housed.

The commission would also serve the function of insulating the Casino Control Commission from the negotiations with developers for meeting the social obligations of the casinos to the region. The Casino Control Commission's function would thus be made to follow a judicial mold.

The commission would prepare a regional capital investment plan for the purpose of approving State-financed or State-administered Federally-financed capital projects.

The commission would consist of State, county and city ex-officio members and five public citizens. Commission operations would be financed from casino licensing fees.

Additionally, any alteration of the Atlantic City zoning ordinance or master plan or any use variance would require commission approval. Also, the power of eminent domain could be used to provide housing sites in areas consistent with the Atlantic County master plan. The local resolution of need could be waived for housing projects in Atlantic County financed by the New Jersey Housing Finance Agency or the Atlantic County Improvement Authority.

Administrative responsibility for the 2% investment obligation under the Casino Control Act would be transferred to the commission. Money would be deposited into an Atlantic Investment Pool. Determinations for the investment of these funds would be made by the commission rather than the casinos. Only real estate investments made through the Pool would be eligible regarding their obligation. Debt financing would no longer be included in calculating cumulative investments.

The bill would provide for the pooling of new property tax revenues generated in the district after 1980. Municipalities would first be compensated for any additional school expenses after 1980, then they would be compensated for any losses in revenue because of the construction of publicly assisted housing. Remaining funds could be annually apportioned to each municipality according to new housing units constructed after 1980.

ASSEMBLYMAN VINCENT O. PELLECCCHIA (Chairman): Good morning, ladies and gentlemen. I am Vincent Ozzie Pelleccchia, Chairman of the Assembly Municipal Government Committee, and Assemblyman from Passaic County.

We meet here today to consider Assembly Bill 1950, the "Atlantic City Regional Commission Act." It is appropriate, and indeed essential, for us to meet here to consider legislation which is applicable solely to Atlantic City and to Atlantic County. It is decent and sporting of Mayor Lazarow and the other Atlantic City Commissioners to allow us to meet in this chamber, particularly in light of the fact that they probably strongly dislike the legislation before us. I can understand their feelings. A 1950 is sweeping, controversial legislation. Under this bill, the State of New Jersey through the eleven-member Atlantic City Regional Commission would become directly involved in matters traditionally considered the prerogatives of local government: planning and zoning decisions; the allocation of publicly-assisted housing; and, most important, the collection of taxes and distribution of tax revenues.

The bill also proposes that the Casino Control Commission cannot go it alone - that it will need the help of this new Commission - in reviewing casino license applications and insuring that casinos employ minorities, and in the review and control of investments by casinos.

We are to find out then whether the social and economic conditions in the city and county warrant the establishment of this powerful State Commission. We, the members of this Committee on Municipal Government, have an open mind. We are here to listen and to learn. We would be greatly assisted if both sides are mutually respectful.

Let me remind you of what a public hearing means. It is the first step in the process of considering legislation. We will not vote on the bill today. After the stenographic record has been transcribed, typed and printed, we will review it and then schedule a Committee meeting. Then we have several choices: we can report the bill as is, we can report the bill with amendments which may drastically alter its content, report a Committee Substitute for the bill, vote the bill down and return it to the file, or hold the bill indefinitely. Bills are sometimes reported without Committee recommendations in order to give the whole Assembly an opportunity to consider them. This hearing will have a direct bearing on our decision.

Again, let me thank the Mayor and the Commissioners for allowing us to use these chambers. We realize you are scheduled to meet at 3:00 P.M. and we must move everybody along. I would appreciate it if those testifying who have prepared statements would give them to us and then speak as briefly as possible. However, we want everyone to get a full hearing and we will not curtail any statements that you feel have to be made.

Let me introduce the members of the committee who are here. On my far left is John Girgenti, Assemblyman from Passaic County; Assemblyman Herman Costello is sitting next to me - he is the Vice Chairman of this Committee; and on my right is our Committee Aide.

Will you please call the first witness?

MR. WUNSCH: Commissioner LeFante, please.

ASSEMBLYMAN PELLECCCHIA: Commissioner, it is a pleasure to have you here.

J O S E P H A . L e F A N T E: I am glad to be here. It is always a pleasure to appear before some of my former colleagues. Mr. Costello and Mr. Girgenti, I know how very difficult this job must be for you under these circumstances, particularly with such a type bill as this one that is before you. If I can help in any way to clear up some matters or perhaps even present some evidence for your consideration, I think that is what I am here for.

Let me introduce Mr. Dick Binetsky, who is sitting to my right. He is a member of our State and Regional Planning Division and has put much time not only on the development of Atlantic City, but in researching some of the problems that we encounter on a day-to-day basis. He was very instrumental, along with Melanie Willoughby and other staff persons, in putting our testimony together. We hope we are going to be helpful to you, Mr. Chairman.

Governor Byrne and the members of the administration are concerned with the development progress of Atlantic City and its surrounding region. That is why I am here today, along with many of my colleagues, to speak in favor of Assembly Bill 1950.

On November 2, 1976, when the voters approved casino gambling for Atlantic City, the growth projections predicted gradual development with 12 casino hotels in operation by 1990. With 4 casinos licensed to operate right now, it is expected that 12 casino hotels will be ready for occupancy by the end of 1981, with 7 additional casino hotels projecting 1982 as their opening date. The development of casino gaming is occurring at a pace beyond even the most optimistic estimates. But this phenomenal development activity is creating massive social, economic and community problems which are by-products of the redevelopment process underway. We are concerned by the housing shortages. New and affordable housing needed to meet the burgeoning demand in both the city and region is almost non-existent and there is an acute shortage of rental units. We are concerned that while many new jobs have been created, traditionally high unemployment rates remain stubbornly high. We are concerned by the dislocation of the elderly and low-income families due to the demolition of existing rental units on prime development sites, the conversion of rental units to owner-occupied dwellings and the upward revision of tax burdens necessitated by redevelopment and rezoning in Atlantic City.

Revaluation by the City Tax Assessor has already brought howls of protest from residents of the beach-block casino zone and we are plagued with phone calls and letters almost on a daily basis in this area. Their property taxes have increased up to 500 percent, owing to the increase in the market value of their land. These property taxes will force many of these residents to sell their homes and move outside of Atlantic City to the surrounding region. While their situation is especially dramatic, it will likely be repeated by other property-rich but income-poor elderly and poor residents throughout the county. Skyrocketing land values and tax increases can also be expected to dislocate area businesses and prevent new retail businesses from locating here.

Since 1976, all the departments of State government have been working to try to address the unique problems faced by Atlantic City. Our Department has provided financial assistance to the Atlantic City Department of Planning and has worked closely with the city in reviewing its master plan and zoning ordinances.

Our Mortgage Finance Agency has the ability to provide low-interest rate mortgages for the purchase of homes by moderate-income families throughout Atlantic

County. Its pilot mortgage program currently has committed \$5 million for such purchases to families with a maximum income of \$29,120. Seventeen of the 21 Atlantic County municipalities are participating in the Mortgage Finance Agency's Neighborhood Loan Program. The Atlantic City Neighborhood Preservation Program is revitalizing the westside neighborhood through a partnership of resident, local government, and local financial institutions.

Mr. Chairman, I might add that this is a model for the entire State of New Jersey. We literally bus individuals and officials from other parts of the State into that westside complex and the westend section just to show them what a neighborhood preservation program should be - what a community education center should be - what a revitalization should be - what a neighborhood attitude should be. And we use this area as a model. They are to be commended and complimented for their dedication and their effort in the partnership of the local government body with the Board of Education and with the private sector and lending institutions as well, Mr. Chairman.

These are only a few examples of the ongoing programs provided within Atlantic City and the County. But they are not even scratching the surface, Mr. Chairman. The city was in need of extensive revitalization prior to the advent of casino gambling. And now under the enormous strain of an unprecedented development boom, the entire region is experiencing a critical need for planned and accelerated growth.

We realize that the initial focus had been on the city itself. But now we realize that we must expand our efforts over a wider geographic area. We believe that the creation of the Atlantic Regional Commission will provide the needed comprehensive and coordinated development mechanism.

Assembly Bill 1950 was drafted with assistance from our Division of Planning amid the mounting evidence that residents of Atlantic City and nearby communities, particularly the poor and elderly, urgently need protection from soaring land values, overloaded transportation, and housing shortages, spawned by Atlantic City's three-year old casino industry.

The growth projections over the next ten years in Atlantic City and its environs as a result of casino gambling are astonishing. In 1978, there was an estimated 190,000 residents in Atlantic County. The development of 12 casinos is expected to generate an additional 340,000 persons, totaling approximately 530,000. Such rapid growth is appreciably above the State's policy projection of 311,900 for Atlantic County for the year 2000. We are 20 years away from that, Mr. Chairman.

As a result of this growth, there will be a need for about 130,000 new housing units by the end of 1982. This would necessitate the construction of over 43,000 units for each of the next three years. This rate of construction is in marked contrast to the annual rate of construction in Atlantic County which is only about 1,200 units per year presently.

One of the critical areas within the housing dilemma in the Atlantic County Region is the construction of low- and moderate-income housing. Because of escalating land costs, unavailability of vacant developable land, and a lack of replacement housing resources for persons displaced, the construction of low- and moderate-income housing is becoming increasingly difficult. This problem is compounded by the fact that approximately 50 percent of casino jobs are projected to be in the low- and moderate-income category. Additionally, many low- and moderate-

income families in the city are living in substandard dwellings, many of which are unsuitable for rehabilitation. The need to provide decent housing for these families will add to the demand for low- and moderate-income housing.

In January of this year, the Division of Planning prepared a report entitled, "Review of the Probable Impact of Atlantic City Casino Development." In that report, projections were made that 58,929 households will be eligible for HUD housing assistance. To appreciate the magnitude of this, HUD Section 8 funds for 1979 for the entire State of New Jersey were used to finance 10,964 units. That was the total annual allotment for the entire State of New Jersey. And, here, if we are going to apply it to this area or this region alone, we are talking about 58,929, about 4½ times what we did in 1979 - and this is one little area - 4½ times what we did in the entire State of New Jersey. In addition, the Section 235 Mortgage Assistance accounted for 342 units. Since the inception of HUD and the Housing Finance Agency's programs, the Housing Finance Agency's Division of Research indicates that HUD and the HFA had subsidized a total of approximately 2,500 rental units in Atlantic County, as of July, 1979. Despite the obvious urgency of the housing demand, HUD officials indicate that substantial increases in rental assistance money will not be available until that need is documented by the 1980 census.

The magnitude of this housing need is compounded by zoning restrictions, exorbitant land prices and the competition for land between housing and other more profitable uses. The relationship between these factors and the agencies involved in developing short- and long-term policies and programs affecting them provides the key rationale for the development of a regional housing strategy.

Assembly Bill 1950 creates the Atlantic Regional Commission primarily to develop this regional housing strategy. The Commission, acting consistently with the Atlantic County Master Plan, the Pinelands Comprehensive Management Plan and the State's coastal resources policies, would facilitate new housing through its understanding of the dynamics of the region's projected growth and social demands. The Commission would administer the two percent reinvestment credit program and an intermunicipal tax sharing program to provide incentives to stimulate housing construction.

The two percent reinvestment of gross annual revenues would be paid by the casinos to the Atlantic Regional Commission, which would utilize the dollars in projects meeting needs created directly or indirectly by casino gaming. Housing projects would be considered a top priority for this source of funding.

Assembly Bill 1950 also proposes that all of Atlantic County be constituted an intermunicipal tax-sharing district.

The starting point for calculating the obligations of municipal tax sharing is the increase in school enrollment from 1980. The local school tax levy per pupil is multiplied by the number of additional students. If after compensating for the increase in students there are funds left over, payments will be made based on publicly assisted housing constructed after 1980 which has been granted total or partial exemption from the property tax.

One consequence of limiting casino gambling to one municipality is that most of the resulting population growth must be accommodated in other municipalities. Atlantic City is gaining the cream of the non-residential ratables, while the municipalities which must provide services to the bulk of new residents get very little. We hear this continuously from local governing bodies in the surrounding area. It has become almost a daily cry, Mr. Chairman. Tax sharing will help spread the benefits of casino gambling to the affected towns, while

providing the necessary incentives to build housing, and that is our primary goal.

In Assembly Bill 1950, the Atlantic Regional Commission is equipped with the necessary authority to meet the demand for housing and the support services in a comprehensive manner. The Commission would have the power of eminent domain which would be used to provide housing sites in areas consistent with the Atlantic County Master Plan. It would acquire land through condemnation which could speed up the process of acquiring housing sites. It could waive the requirement for a municipal resolution citing that there is a need for low- and moderate-income housing projects in a municipality, which would facilitate the construction of housing financed by the Housing Finance Agency or the Atlantic County Improvement Authority. Additionally, Mr. Chairman, any alteration of the Atlantic City Zoning Ordinance or Master Plan or any use variance would require Commission approval. All these responsibilities of the Commission would ensure housing construction at a faster rate.

We must acknowledge that our primary concern should be the orderly, comprehensive development of the city and its region and that the casino industry should be seen as a significant means to this end. Therefore, creating a coordinative process to insure the beneficial impact of casino gambling, while at the same time preserving the region's sensitive environment, should be of paramount importance. We have identified the need for a central force to aggressively seek the natural, private and public resources available to accommodate the region's rapid growth.

Revenues from the casino industry's mandated two percent reinvestment tax credit should be invested so as to relieve the stress being created by the growth of casino gaming. Rather than allowing investments in tourist- and recreation-related projects to be eligible for the tax credit, eligibility should be focused more narrowly on projects which address the fundamental needs of the affected communities; housing, transportation, health care facilities and educational facilities will head the list of priority capital improvements.

We need Assembly Bill 1950 now to concentrate our efforts in coordinating both the planning and development aspects to serve the public good.

Mr. Chairman, that completes my prepared testimony and I am available for any questions the Committee may have.

ASSEMBLYMAN PELLECCCHIA: At this time, I would like to announce that Assemblyman Edwards from Bergen County has joined us.

Let me say, Commissioner, as usual, you have done a very thorough job. With the presence of you and Commissioner Horn in this room, it looks like old home week for me because the three of us served together in the Assembly.

Going back to the bill, itself, I have only two questions to pose and then I will turn it over to other members of the Committee. Why should the ARC be involved in reviewing casino minority hiring practices? Doesn't the Casino Control Commission do an adequate job?

COMM'R LE FANTE: In the bill, Mr. Chairman, on page 6, line 47, it says, "To assure the achievement of equal employment opportunity for all persons in casino hotels and other facilities." That is going to be mandated by law - the practice of affirmative action that the Commission ---

ASSEMBLYMAN PELLECCCHIA: Wouldn't there be some conflict between the two commissions?

COMM'R LE FANTE: I don't think so. I think this bill would supersede

anything that the other commission is involved in today.

MR. RICHARD N. BINETSKY: Mr. Chairman, the idea is that the new structure of the Casino Control Commission has been given a much narrower more judicial type focus. The concern is that some of the more tangential activities, as far as the Casino Control Commission is concerned, have now been incorporated into 1950 and would be the primary responsibility of this new organization and eliminate the possible danger of those becoming more or less a stepchild of this more important judicial Casino Control Commission.

ASSEMBLYMAN PELLECCCHIA: Thank you.

My last question is: This bill seems to be based on major increases in Atlantic City ratables. Do you have any idea the kind of sums which will be distributed by ARC to towns in the county?

COMM'R LE FANTE: What would you say?

MR. BINETSKY: An early guess is: we indicated approximately \$5 million in the early stages.

COMM'R LE FANTE: That is only a guess.

MR. BINETSKY: This is very, very rough. If the Committee wishes, we will try to be much more specific.

ASSEMBLYMAN PELLECCCHIA: As far as I am concerned the more information you can pass on to this Committee, the more helpful it will be.

I am going now to our Vice Chairman, Assemblyman Costello. Do you have any questions?

ASSEMBLYMAN COSTELLO: No questions.

ASSEMBLYMAN PELLECCCHIA: John Girgenti.

ASSEMBLYMAN GIRGENTI: I have just one question. You realize under this bill, the way it is written, you as Commissioner of the Department of Community Affairs would be the Commission Chairman?

COMM'R LE FANTE: Ex-officio.

ASSEMBLYMAN GIRGENTI: I would like to know considering the large area that the Department of Community affairs has to cover, in which you do a very capable job, would this be another burden on your position and how would your department react to that?

COMM'R LE FANTE: That's a good question, John. Very frankly, I serve as chairman of approximately a half dozen commissions, boards or agencies that are already in existence - the Commissioner or his designee. Usually, if I am going to appoint a surrogate, it is someone who is going to give it full time. The reason for that, John, is that we have so much talent on our staff in the Department of Community Affairs, which is necessary to enable commissions and boards like this to operate. In order to be able to bring that staff in line, particularly in budgetary items, they put the Commissioner of DCA on as chairman, ex-officio, or any way they can get him in there. Once he is in there, his entire department becomes available to this commission to work. We do it with the Mortgage Finance Agency, with the Housing Finance Agency, with SLEPA, with the Broadcasting Authority, with the Economic Development Authority and we do it with the Governor's Office on Planning and Management. It just goes on and on. So your question, "would it be a burden," no, it is just another experience in a normal day's work.

ASSEMBLYMAN GIRGENTI: Right now, I believe the casinos invest 2 percent on their own. How is that currently done? Is this new Commission going to set up an investment pool, first, to spend that 2 percent?

COMM'R LE FANTE: I am not sure. I think under this bill it is what -

five years?

MR. BINETSKY: Under the current procedure, the 2 percent investment hasn't come due yet. It is, I believe, in the fifth year of the filing of the Internal Revenue report. What this bill does is put the responsibility for identifying the types of investments. Let me add that there is no prohibition on income-producing investments by virtue of the fact that the Atlantic Regional Commission would administer t h i s 2 percent reinvestment obligation pool. What it does do, as we actually understand it and see it, is actually lift the burden to some degree off the casinos themselves by allowing them to concentrate on their primary activity and their primary purpose for being, that of casino gaming, rather than dealing with these much more tangential activities of this 2 percent obligation.

The Atlantic Regional Commission would prepare a priority program for these obligations and develop the eligibility criteria. And it would be these priority program projects that would become eligible for the casino obligation expenditures to be made.

ASSEMBLYMAN GIRGENTI: One more question: This intermunicipal account, are you going to be actually levying taxes on different municipalities within the district? Is that the end result of this? Your school boards and so forth --- Can you explain that a little bit?

MR. BINETSKY: The intermunicipal account is sort of a cousin of the intermunicipal program at the Hackensack Meadowlands Development District ---

COMM'R LE FANTE: First cousin.

MR. BINETSKY: --- which is working quite well. I think even the biggest critics of the program are now among its biggest supporters. The idea is similarly 50 percent of the revenues produced on new ratables above the base year would be contributed to a tax-sharing fund.

COMM'R LE FANTE: Define a base year for them?

MR. BINETSKY: A base year would be the year identified by the bill. If the bill passes in 1980, it would be 1980. Beyond that, all the ratables in the town up through that base year would be held harmless from the revenue pool. Beyond that, new ratables would be calculated in the revenue pool. Fifty percent would remain in the town and 50 percent of those new ratables would go into the pool. The distribution of those ratables essentially would be based on your per capita student burden with regard to the schools. The twist that we have given to the current legislation, which is a significant departure from the Meadowlands legislation and the Meadowlands pool, is that we want to create incentives for housing. So, where publicly-assisted or non-luxury housing is concerned, there is provision for distribution of surpluses that exist for the provision of that type of housing in order to create the incentive and not create a burden for municipalities to try and resist non-luxury and publicly-assisted housing.

COMM'R LE FANTE: It will be created as per their master plan within their zoning ordinance and requirements. That is not mandated. For example, in the Meadowlands, as you know, Assemblyman, as per the master plan and the zoning, there are very, very strong industrial areas, commercial areas and residential areas. This doesn't change that unless they request it be changed. Then they work that out together with the local governing body. That is how the taxes are shared. You and I may be on the residential side, carrying the burden of putting up schools, transporting the children back and forth to school, paying for garbage

pickup, police and fire protection, removing snow and all the other things that go with servicing a residential community; and the other side of the coin is the commercial-industrial setup where taxes are collected at sometimes a higher level with very little service. That is the purpose behind this.

ASSEMBLYMAN PELLECCCHIA: Commissioner, wouldn't you say that cousin you referred to is really a step-cousin because in the Meadowlands we have 16 municipalities and several counties involved and it is really quite a different situation than down here?

COMM'R LE FANTE: No, I don't think so. Nothing would please us more than to get casino gambling up there if we could get it. Nevertheless, we are struggling, Mr. Chairman, to try to put together a satisfactory solution to a very highly urbanized area. People literally are tripping over one another up there. We do not have that here. We have spacious land to work with. We have the accommodations.

ASSEMBLYMAN PELLECCCHIA: I am really talking about the structure, not the area or anything else.

COMM'R LE FANTE: We have problems up there in the Meadowlands that would never happen down here because of the highly urbanized area up there. It is a cousin; I wouldn't call it a stepcousin.

ASSEMBLYMAN PELLECCCHIA: Assemblyman Edwards.

ASSEMBLYMAN EDWARDS: I have two basic questions - conceptual questions - without dealing with the specifics of the bill, because the specifics of the bill are complicated enough. I think we will hear about most of those during the day. The first one directly relates to the question that the Chairman posed a moment ago. The Hackensack Meadowlands Development Commission was designed for a very unique kind of land. It deals with the quality of the land and the pressures on development there. I would tend to agree that I don't think the situation in the Hackensack Meadowlands Development area is akin to this one. If they are cousins, they are very distant cousins because of the needs. The needs we seem to be addressing in this particular bill are problems that we have throughout the State. They exist in Bergen County. They exist in Hudson County. They exist in Morris County. They are housing needs. There is a lack of available low- and moderate-income housing to a vast segment of the population. It is an issue that is being debated across the State at all levels of government, including the Supreme Court right now. We have not really addressed that in the Hackensack Meadowlands. It was one of the questions that I think you and I discussed when we were taking a tour of the Meadowlands. The purpose for the existence of the Meadowlands is different. I am assuming that to have some validity.

Why are we sitting here in Atlantic County addressing housing needs that exist in every county throughout the State? Why are we setting up an independent authority or Commission to deal with issues that are being historically dealt with throughout the State by the local municipalities and why only Atlantic County? If the local governments are unable to handle the balance of tax ratables in their geographic location to service the region that they fit within, why Atlantic County? Notwithstanding the fact that it has a lot of money to deal with, which may help do it, the 2 percent fund and the various other vehicles, the need still exists; and why not break up the entire state into regions and set up various commissions to deal with those regional problems, whether they be intercounty or intracounty?

COMM'R LE FANTE: Assemblyman, I think primarily we have to address

ourselves to the rapid pace of growth. The growth projections over a ten- or twenty-year period are upon us, in reality, in four years. No one every anticipated that. We talked about 12 casinos generating an additional 340,000 persons for a total of 530,000 people in this immediate area by the year 2000; we are going to reach it long before the year 2000. This is not happening anywhere else in New Jersey where you are talking about the growth of one-half million people in an area that never had this before. So what we are saying is that approaches, as far as attitude is concerned, the magnitude of an emergent approach. How do you accommodate these people? Where do you put them? Where are they going to live?

Mr. Binetsky would like to add something to that.

ASSEMBLYMAN PELLECCCHIA: Before you start, I want to say that time is going to be short. I would appreciate it if the legislators who want to ask questions make them short and I would hope you people will make your answers as brief as you can because we are running late already.

Were you finished, Assemblyman?

ASSEMBLYMAN EDWARDS: No, I am not. I have one more question to ask.

MR. BINETSKY: If I could add, Assemblyman Edwards, I think your question is extremely insightful. I think this, in fact, responds to the general philosophy of what you are saying. We have a very unique situation in Atlantic County. A general referendum of the people in the State essentially produced this situation. As a result of this, not only are benefits accruing, but many regional problems are accruing too.

Our idea is that we need a special structure for this region in order to more equitably spread the cost of benefits with regard to the rest of the county, which in a sense was carried along with the general referendum.

ASSEMBLYMAN EDWARD: Now, my second question deals with the need to create an independent commission to accomplish these particular goals as opposed to dealing with the existing governmental structures we have in place, without establishing another level of government, an independent one. Why can't the county government of Atlantic County be empowered to accomplish these very same goals if the need is that unique? And haven't a lot of those needs been addressed in the original Casino Control Commission Act and other legislation that we have, some of it especially for Atlantic County?

COMM'R LE FANTE: We thought about that and talked about it. We did kick that around, Assemblyman. It would just be another layer on the daily responsibility of a group that is already governing, and with some degree of difficulty. We feel that the expertise that should be developed should be confined strictly to the development, as the bill describes it, and limit it; whereas, on a county basis, on the day-to-day operation, there are so many other responsibilities and duties involved that they couldn't give it the time it deserves.

Do you want to add to that, Dick?

MR. BINETSKY: The Commissioner is right on target that it was our belief that it needed to be a full-time occupation rather than just one in a series of many, many duties of another agency, whether it be a State agency or a county agency or the city, itself.

ASSEMBLYMAN EDWARDS: Why can't we just beef up the dollars that are available? Then we could create within the Planning Board or the Planning Department of the Atlantic County all of the same general powers, duties, responsibilities, dollars, resources, and staff - all that could exist - and they would be controlled

basically by the elected officials as opposed to appointive officials or independent boards or commissions which seem to proliferate. I don't see the distinction. If the money is going to provide us with the staff for the creation of a commission and it is going to hire the expertise, I don't see why the local government of this locality couldn't do the same thing.

COMM'R LE FANTE: Well, the money to operate this commission is coming out of fees, so they will be self-sustaining. It is not going to be a burden to the taxpayer. Your county government is paid by real estate tax dollars. That is the difference. If you are going to put an agency like this in the county government structure, then your taxpayers are going to pay to keep this commission in operation; whereas, under the bill, as it is set up, it is to be paid from fees and it will be self-sustaining. It will be at no cost to the taxpayers.

ASSEMBLYMAN EDWARDS: I am really looking for a way to deal with the bill realistically and I would give the county government that same authority. I am saying: Why can't we amend the county charter or give them the same responsibilities rather than set up another level of government - another board, another commission, another agency? Why can't we use the existing agencies that are in place, give them the same taxing powers by amending this particular bill, as opposed to calling it a new commission - but give that money, that power, that responsibility, by amending the statutes and have the county government do it? Philosophically, that is what I am talking about, rather than details of it.

COMM'R LE FANTE: Philosophically, Assemblyman, I could talk about two hours just on the politics of such an arrangement.

ASSEMBLYMAN PELLECCCHIA: We don't want that right now.

COMM'R LE FANTE: You know and I know when Freeholders run for office, they come from districts - they come from areas. I know and you know as an elected official that you are at least going to pay attention to the mandate of your electorate. If you are from a particular area and you are making a decision, you are going to make a decision to benefit the people who elect you or you wouldn't be there long. As a result, you can't think as freely as one who is appointed to a commission that has a broad overview. I see it happening in the Meadowlands. I see Freeholders calling us from districts, as you know from being up there. Assemblyman Girgenti knows that on several occasions he had problems with dumping, garbage removal, an open landfill operation; and he has to think in terms of his constituency. But someone on the Meadowlands Commission takes a broad view and his decision is based on what is good for the region. It would take two hours to explain it.

ASSEMBLYMAN PELLECCCHIA: Unless there are any more pertinent questions, I think we should excuse the Commissioner.

ASSEMBLYMAN GIRGENTI: I have just one quick one. One of the problems I have with this legislation is in Section 11 of the bill which says that the ARC would exercise approval authority over major land use and development decisions by the governing body, review and withhold approval of the award of variances and the adoption of zoning ordinances and master plan amendments. It is getting in an area where you are really overruling the local municipalities. I am a strong believer in home rule. I always have been. I think this kind of situation can get out of hand. Take the schools and the people here in Trenton. The feeling out there is that we don't always have a monopoly of intelligence in Trenton and the people at the local level should be able to have input. This type of legislation

is really taking away that home-rule aspect, taking away that local touch. Could you embellish on that a little?

COMM'R LE FANTE: That is a very interesting observation. I will be very frank with you, I think that is an area that we could probably explore a little further and in more depth with you and the Committee staff. Nevertheless, when we addressed ourselves to it, what we really had in mind at the time was the casinos only. I will confess that to you. But I do think, Assemblyman, that it is an area of major concern. I think what you said has a great deal of validity and it is worth sitting down and working on it together.

ASSEMBLYMAN GIRGENTI: Thank you.

ASSEMBLYMAN PELLECCCHIA: Just a rhetorical question: Isn't this three years too late? I don't need an answer. It is a rhetorical question.

ASSEMBLYMAN COSTELLO: I know we are on a tight schedule, but I have one or two observations to make.

Assemblymen Edwards and Girgenti have expressed, in essence, my feelings as to where the decision-making should rest. I still feel, unless some testimony comes out later in the day or sometime in the future that would change my opinion, that perhaps the better approach would be through the county and local municipality with the State serving in an oversight capacity.

I only have one question of someone. I don't particularly care who answers it. In the original legislation, what was the 2 percent money designated for? Was that for Atlantic City, the immediate area, or was that statewide?

COMM'R LE FANTE: That was statewide.

MR. BINETSKY: It was in two stages. It wasn't limited to the area. It was 50-50 originally and then it was moved to a 75-25 split, with the State at large being eligible for the 75. But it could be just in the county. It depended on what made the most sense.

ASSEMBLYMAN COSTELLO: I thought that was correct. I never really agreed with that philosophy in the first place. The gentleman who introduced me to casino gambling was Mayor Joe Bradway with whom I served in the Conference of Mayors. I can recall with a great deal of clarity the problems we had with the various resorts arguing the pros and cons of casino gambling. One thing Joe Bradway dramatized in trying to justify the need for casino gambling was that it would contribute to the revitalization of Atlantic City. On page 9 of your statement, you say, "We must acknowledge that our primary concern should be the orderly comprehensive development of the city and its region and that the casino industry should be seen as a significant means to this end." That is why I didn't agree with the 2 percent, or any portion thereof, being distributed throughout the State, because those of us who served with Bradway at the time all recognized - and still do - the need for housing and jobs, and many other things.

Going back to the Chariman's question, "Is this legislation three years too late," I don't think it is three years too late. It is my opinion - and I think this is pretty obvious - that this thing has moved as such a pace that no one anticipated this. As a result, it is catch-up. We are running - and I am not sure we are going to catch up in the next decade. One of my concerns, whether it is as an Assemblyman or a resident of the State of New Jersey - is that Atlantic City and, if need be, the region, address itself to low- and moderate-income housing.

I am not so sure that when everything is finalized and the bottom line is

drawn that there is going to be low- and moderate-income housing in Atlantic City. I rather expect that it is going to become extremely exclusive.

COMM'R LE FANTE: If that be the case, then, Assemblyman, 50 percent of the employees in this casino and hotel operation will not have housing because 50 percent of the employees are in the low- and moderate-income bracket.

I agree with you that we are reacting instead of acting. We are playing catch-up ball and the longer we wait the further we fall behind.

ASSEMBLYMAN COSTELLO: Let me conclude with this: I would be in favor of and support anything that would absolutely guarantee that there will be, and always will be, low- and moderate-income housing in Atlantic City. It was on that premise that I supported it when Mayor Bradway argued for casino gambling before the Conference of Mayor - and that was several years ago.

ASSEMBLYMAN PELLECCCHIA: At this time, I want to thank for being here. It is always a pleasure to have you. Thank you.

COMM'R LE FANTE: Thank you, gentlemen.

ASSEMBLYMAN PELLECCCHIA: Assemblyman Patero, please.

J O S E P H D. P A T E R O: Good morning. Mr. Chairman, thank you very much. The new person we have here is Mr. Jim Yeager who will be answering some of the questions, if they are questions I cannot answer. But, first of all, I would like to commend you as Chairman and the Committee for holding these hearings today. I think it is very important that we do have this type of hearing on the controversial bill as we have here today.

I definitely will be looking at what transpires here today, and I want the Committee to know that this bill is not written in stone. I am willing to compromise. I think there is a need for this type of bill in this area. I will go through this real fast. I have a statement, which I will read---

ASSEMBLYMAN PELLECCCHIA: If you have a statement, you can give it to the stenographer, and then give us off the cuff remarks, which will be easier for us.

ASSEMBLYMAN PATERO: Yes, I believe copies have been given out. I will go briefly through this. I think we all know of the rush and speed to build the casinos here. We expected it to be around 1990 when we would have about 18 casinos, and it seems like we will have 19 casinos in 1982.

First of all, I would like to highlight some of the major provisions of the legislation. First, the creation of the Atlantic Regional Commission to oversee the planning and development of the region. The commission would be composed of 11 members. Of these, 6 will serve ex officio: The Atlantic County Executive, the Mayor of Atlantic City and the Commissioners of the State Department of Community Affairs, Environmental Protection, Human Services and Transportation. Of the five members to be appointed by the Governor with the advice and consent of the Senate, three are to be residents of Atlantic County and two may come from elsewhere in New Jersey.

So, you can see we will be having five members from Atlantic County representing Atlantic City.

Second would be controlling the impact of the casinos. The rapid growth of the industry is increasing the scope of the impact, directly and indirectly, on the social, economic, and natural resource environment. This legislation would require casino applications to include a detailed housing opportunity plan on

how employees of those casinos would be housed, and how many deleterious impacts on the housing market would be mitigated. After reviewing these impact statements, the Atlantic Regional Commission would advise the Casino Control Commission as to specific conditions a casino must meet to avoid deleterious impacts. The Casino Control Commission would be required to incorporate these recommendations as conditions for a casino license or give reasons in writing for not doing so.

Third, clarifying the casinos' reinvestment requirement. When a casino's gross annual revenue exceeds its cumulative investments, it is required to reinvest two percent of that gross annual revenue in New Jersey or to pay in lieu thereof the same amount as additional tax. This bill would amend the definition of "cumulative investments" to exclude debt financing and investments away from casino permits. This redefinition will make it more likely that the threshold for the two percent reinvestment requirement will be reached.

Another major change is that instead of allowing a casino firm five years to make its reinvestment, it would be given one year to pay over to the Atlantic Regional Commission the two percent of gross annual revenues. The Atlantic Regional Commission would place the reinvestment in accordance with its program of priorities for projects meeting the needs created directly or indirectly by casino gaming. Thus, casino firms would not be distracted from their principal business and their economic influence would be somewhat more limited.

Fourth, planning for capital projects, among the most important functions of the commission is the preparation of an investment plan for State spending on capital projects in Atlantic County without the review and approval of the Commission.

Fifth, providing tax sharing, one consequence of limiting casino gambling to one municipality with little developable land area is that most of the resulting population growth must be accommodated in other municipalities. Atlantic City is gaining the cream of the non-residential rateables, while the municipalities which must provide services to the bulk of new residents get very little. As a solution, this bill proposes that all of Atlantic County become an intermunicipal tax sharing district. Essentially, half of the increase in total rateables after 1980 will be used for tax sharing purposes. The first tax sharing would occur in 1983 based on the changes in aggregate rateables from 1980 to 1981 and 1981 tax rates. The amount of money available in any given year for tax sharing is based on what the property tax rate for local, school, and veteran senior citizen purposes in each municipality would yield when applied to one half of the municipal increase in rateables since 1980.

The tax sharing obligations would be used to compensate for the increase in school enrollments and the numbers of publicly assisted housing units necessitated by the rapid development.

Sixth, ensuring the master plan and zoning integrity, the privilege extended by the voters of the State in amending the State Constitution to exempt casino gaming in Atlantic City from the general prohibition against gambling is unique and very significant. The purpose of this privilege is to promote and enhance the viability and attractiveness of Atlantic City and of the State as a whole. Maximization of the benefits and minimization of the detriments of casino gaming depends to a large degree upon the comprehensive land use planning for Atlantic City and its implementation. The tendency of the City's Zoning Board

of Adjustment to grant use variances for casinos led to the recent amendment of the casino control act to require that an applicant for a casino license prove compliance with the master plan and zoning ordinances of Atlantic City without a use variance. Section 11 of the bill completes the process by requiring that the Atlantic Regional Commission approve any amendment to the land use element of the master plan and any variance or amendment to the zoning ordinance as conforming to the purposes of the municipal land use law and the Casino Control Act.

Seventh, acquisition of property, with the burgeoning of the economy has come an increase in demand for new construction and speculation in land. Accommodation of socially necessary but limited or non-profit uses is becoming more difficult. This bill would empower the proposed Atlantic Regional Commission to acquire property by purchase or eminent domain for publicly assisted housing, health care, and social service facilities.

Eighth, simplifying housing red tape, this bill would also simplify the procedures for low or moderate income housing projects by allowing the Atlantic Regional Commission to waive the statutory requirement that the municipality in which a project would be located must pass a resolution of need before financing for the project can be provided by the New Jersey Housing Finance Agency or Atlantic County Improvement Authority.

Ninth, funding, the Atlantic Regional Commission will not rely on the taxpayers for its funding. Its cost will be funded on the same basis as the Casino Control Commission and the Division of Gaming Enforcement which is from application fees paid by the casino industry.

Tenth, regional land use planning, some press accounts have tried to label this bill a Hackensack Meadowlands Development Commission solution for Atlantic City and the vicinity. The proposed Atlantic Regional Commission is not a replica of the Meadowlands Commission.

One radical difference between the Atlantic City Regional Commission and the meadowlands is that while the Meadowlands legislation was necessary to provide a regional planning and regulatory framework for its district, the legislature has already provided at least two regional planning and regulatory frameworks for the Atlantic City region. In 1973, the legislature enacted the Coastal Area Facility Review Act, better known as CAFRA and in 1979 the Pinelands Protection Act. The proposed Atlantic Regional Commission will have a district almost all of which is within the pinelands or CAFRA jurisdictions. A very different situation pertained to the Meadowlands before enactment of the Hackensack Meadowlands Reclamation and Development Act, when land use jurisdiction in the meadowlands was divided between 14 municipalities. Thus, while the centerpiece of the Meadowlands Act is the master plan for land use and the regulations adopted to implement the master plan, there are no such provisions in the bill before the Committee.

In conclusion, this bill confronts the present and future problems of the region and provides a viable, comprehensive and effective means for meeting the challenge. We cannot put our heads in the ground like the proverbial ostrich and hope that the problems will go away or haphazardly solve themselves while we are not looking. It is our responsibility to see that the citizens of New Jersey benefit from the institution of gambling in Atlantic City and Assembly Bill 1950 is a means to accomplish this goal.

ASSEMBLYMAN PELLECCIA: Thank you, Assemblyman. I am not going to

burden you with questions at this time. I am sure some of the questions will be discussed at our Committee meeting. However, I would like to say to you that you ought to get your game plan together on whether or not this is a second cousin to the meadowlands. You seem to be thinking like I am, and the Commissioner thought the opposite. So, before I turn the questions over to the other Assemblymen, I would like to acknowledge in our audience we have the distinguished honor to have our boss, the Speaker of the House, Christopher Jackman here with us this morning.

ASSEMBLYMAN COSTELLO: I checked first to see if Chris was the co-sponsor of the bill. Inasmuch as he is not, I think I can speak with a great deal of freedom here. Nevertheless, Assemblyman Patero, and your predecessor, the Commissioner, insist on making comparisons between this proposed legislation and the Hackensack Meadowlands situation. I don't look at it in that regard.

ASSEMBLYMAN PATERO: I agree with you.

ASSEMBLYMAN COSTELLO: In Hackensack the key word was reclamation of vacant lands in the form of landfills and what have you, and the development of the the community as a result of that. You had cities built within it. In the Atlantic City situation you had a community, once a thriving community, and most of us will recall it growing up looking forward to going to Atlantic City and then we would watch the deterioration of Atlantic City, and certainly Atlantic City, and those interested in the casino industry, have stressed time and time again, hey, man, you just can't bring industry to Atlantic City, it is not conducive to that. The one thing that can be molded into what was there now - and that was - was the casino type activity.

I feel that any reference to the Hackensack Meadowlands as some sort of analogy to the Atlantic City thing is not exactly our intention. The casinos seemed to be, hopefully, an answer to the problems here, and I would like to share the optimism of those who were here, the city officials, that it is going to provide them with the necessary impetus to do this.

What I am saying is, to justify this sharing of the goodies that came from this thing, in my opinion, it didn't necessarily hold true. I am consistent when I am saying this, because when anything good happens, somebody says, "Let's share it."

I can accept the idea as the sponsor of the bill that Atlantic City should share in resolving some of the problems that may be generated as a result of the casinos in neighboring communities. But, I don't think it should all of a sudden become something that should go out to the State and beyond.

ASSEMBLYMAN PATERO: I would like to be real brief on that. That is why I said that this cannot be compared with the Hackensack Meadowlands, because Hackensack has 14 municipalities in there. This is primarily Atlantic City, and what we are trying to do is help the surrounding communities that are going to be stuck with the burden of providing schools and so forth. This is altogether different than the Hackensack Meadowlands, and my reason for saying this is --- That is why I was hoping when this came up now it won't be brought up during the rest of the day, because there is no comparison.

ASSEMBLYMAN PELLECCCHIA: I think we are only being repetitive on some of these comments, so please be brief.

ASSEMBLYMAN GIRGENTI: Joe, you and the Commissioner obviously are taking the same position supporting the bill and advocating on behalf of it.

I find it hard to go along with the whole concept. You are going into the area now where appointments rather than elected officials run government. That takes away some representation. What do people do when they don't like the decisions that the appointed individual makes? That is why we have a tradition in this country based on home rule, electing the people at the local level. I think what you are doing here again is getting another step away from the people. I think that's sad. I think that your efforts--- You are doing things for the right reasons in terms of what you are trying to solve. But, I don't think by another layer of government, another bureaucracy, people who are untouchable, those who are appointed rather than elected, you know, we have to face re-election every two years as legislators. The fact of the matter is, when you have appointees, they are locked in there for a period of time, and there is an area there that's almost unaccountability.

ASSEMBLYMAN PATERO: I am saying that there are 11 members and 5 members will be from Atlantic County. All the other members will be commissioners of various departments - Human Services, Labor, and so forth, which I think is a very good commission. We have to remember that the State gave permission to Atlantic City exclusively to have casino gambling. Being the Mayor of another community -- or former Mayor of another community -- I know the problems of home rule. Right now this is a bigger problem than just Atlantic City. This is a problem for Atlantic County as a whole. This is a problem for the communities surrounding Atlantic City, because if you look at Atlantic City, where apartments were, they have knocked down these apartments. I do not see any new apartments going up yet, and we know by 1982 that we are going to be having 12 to 18 casinos.

The problem we are going to have like the Commissioner stated is that over 50% of the people will be low and middle income workers. They will now be living in the surrounding communities. They will be placing a burden on the surrounding communities, and the surrounding communities will have to be picking up the cost for additional schools and additional services. They will have to find transportation to get to work, because they are no longer in Atlantic City where they can walk or take a jitney. I think this is a problem that is bigger than Atlantic County or Atlantic City. I think that by just naming the commissioners of the various state departments on this commission, I think it shows the importance of what this commission should be doing.

ASSEMBLYMAN EDWARDS: I am going to ask you the same question that I asked the Commissioner. Why can't the existing organizations within Atlantic County do this? You admitted this is an Atlantic County problem. Maybe it spills over into Cape May, but basically it is in Atlantic County. Why can't the same powers, duties, responsibilities - and I emphasize the word "responsibilities" - implement these kinds of things be given to the Board of Freeholders, or the existing political structure and then let people like Mr. Van Ness bring the adequate suites if they don't comply?

ASSEMBLYMAN PATERO: Well, again, like I said, this was exclusively permission given by the State of New Jersey. The State of New Jersey has a stake in Atlantic City just as Atlantic City and Atlantic County has. We are hearing threats that Pennsylvania and New York City will be having casino gambling. I want to make sure that Atlantic City keeps moving rather than--- As you all know in local government if there is a problem you try to do the best you can to make everyone happy. You can go five or six years before you come up with a decision,

and six years later, the decision isn't as good as it would have been if it had been done two or three years before. If you look at the make-up, the important thing is that there are five members from Atlantic County, including the Mayor of Atlantic City, the Executive Director of Atlantic County, but there are also commissioners from the various State departments, which is important. And, that is the reason why most of the commissioners will be here today, testifying on their part of the bill, because this is just not an ordinary committee. I feel it would be one of the most important commissions or committees that the State has ever had.

ASSEMBLYMAN EDWARDS: In light of the housing problems that we are addressing, however, the kinds of problems that are addressed in this particular bill are problems that exist in Middlesex County right now. If you use the Department of Community Affairs' numbers, they exist all over the State. There is presently some neighbor litigation going on in Morris County with reference to trying to define the responsibilities that go with it. The numbers that were quoted for Atlantic County Regional are similar to those in Bergen, Sussex, Middlesex, Morris, and the kind of housing pressures. You have talked about the shortages in those kinds of low and moderate income categories not being unique to Atlantic County, nor the numbers you quoted for the county. The push may be a little faster.

Why are we not imposing these kinds of commissions or regional authorities throughout the State? I say that in light of the recent referendums we have had in southern New Jersey and northern New Jersey legislators imposing their will on the home rule aspects in life, and the quality of life for the people in southern New Jersey by imposing laws like this particular one. I think the pinelands is one. Is there any reason why we are not doing this on a statewide basis? Why are we singling out Atlantic County other than the fact that the money is available?

ASSEMBLYMAN PATERO: We have to remember - again getting back to the status of local government - because of this referendum, the housing that is there now, the existing housing has been knocked down. The only thing that this commission will do is to make sure that if there are any changes in the zoning or the master plan that they will oversee this. We do not know that maybe two blocks down the road there is going to be a high-rise apartment.

The Commission or the Board of Atlantic City right now can step in and say, "We are going to change the zoning; we are going to change the variance, and put up a casino over there." So, there is no way we are going to start getting these low income and middle income housing units in this area. You quoted Morris and you quoted Middlesex, and you quote Somerset. There is nothing there that says that we have to knock down the housing. The housing is still up there. There are master plans and zoning laws in those cities that would not have to be changed.

ASSEMBLYMAN EDWARDS: We have lost I think as many housing units in Newark, Paterson, Jersey City through demolition for different reasons, but I think the number of housing losses are about the same. It is just a question of when they are going to be supplied. We are saying Atlantic City can't handle its own. We are going to deal with the whole county. That is the regional approach to deal with the low and moderate income housing. In the Department of Community Affairs the studies can indicate and the numbers can indicate what the loss is throughout the State. They all deal with the loss throughout the State. I am saying this to give you a chance to respond to the people of southern New Jersey.

Why are we singling out Atlantic City or the people of southern New Jersey? Why are we doing that and not dealing with Newark, Morris County Region or Paterson or Bergen, or Passaic County region and doing the same thing?

ASSEMBLYMAN PATERO: I think the temptation would be greater in Atlantic City or Atlantic County to change the zoning and the master plan sooner than it would be in any other county in the State of New Jersey, primarily because of casino gambling.

ASSEMBLYMAN EDWARDS: When the land use law was passed, it required it to be reviewed and changed every six years. It is reviewed every year. Really, I think the same would hold true here. I am concerned about the reaction of the people of southern New Jersey to northern legislators, imposing some more of their ideas and concepts on their group of people.

ASSEMBLYMAN PATERO: I gave my answer.

ASSEMBLYMAN COSTELLO: I indicated earlier that one of my concerns was to make absolutely certain that you do make provisions for low and moderate income housing. Under this rule or this bill, rather, is there anything in there that would make it absolutely a certainty that low and moderate income housing would be provided and if so, how could they sustain this 5% increase in the tax structure? Would it be subsidized?

ASSEMBLYMAN PATERO: Well, again, the master plan right now calls for Seventh and Eighth Street low income housing, and as the law is now, a person who owns that property can go in front of the zoning board and have the zoning changed to a casino. What this commission is going to do is, if there are going to be any variances or any changes granted, they would have to be approved by this Commission first. The reason for this is to guarantee that the lower and middle income people do have houses, because they want to live in Atlantic City. They don't want to leave Atlantic City. The State of New Jersey passed this and what we are doing is knocking down their housing, and they are moving outside Atlantic City. This is one way of guaranteeing that the housing will be built.

J A M E S Y A E G E R: Maybe I can help with your question, Assemblyman Costello. The bill provides for purchaser eminent domain. That purchaser eminent domain can be for housing sites. That is one area where you can guarantee housing. The bill also provides a 2% obligation to be invested in housing. That doesn't mean that it prohibits, again, income productions from the housing. Moderate income housing can yield a return to the investor in housing.

And, lastly, in another area of housing, notwithstanding the planning and the planning oversight which can be a promotion, and advocacy of housing, there is an incentive within the confines of the inter-municipal tax sharing provisions to essentially award the surplus shared revenues on the basis of the production of housing, not luxury and publicly assisted housing, but those assurances that while they are not absolutely guarantees, they are more than we have now. We are hoping to see with its enactment more housing produced at a faster rate.

ASSEMBLYMAN PELLECCCHIA: I feel more comfortable that it is your bill, knowing your past, and how you have always handled bills. You will certainly be given a fair shake by this Committee.

ASSEMBLYMAN PATERO: As I said, I am willing to compromise. I don't want to push anything that people are not satisfied with.

ASSEMBLYMAN PELLECCCHIA: Thank you. Next we have Mayor Lazarow.

J O S E P H L A Z A R O W: Thank you very much. First of all, I want to thank you Mr. Chairman and members of this committee for giving us this opportunity to be heard in our own home grounds. I know that you will be fair in considering this bill. I also believe the gentleman who spoke previously is well motivated. I happen to be a long-time friend of Commissioner Le Fante, the Department of Community Affairs, and he has helped Atlantic City quite a bit.

In my opinion, this legislation Assembly Bill 1950 is an extremer departure from municipal law as it is known in New Jersey and every effort should be made to defeat it.

I know of no parallels to this proposal. Various regional districts with extensive power infringing upon local police powers have been created over the years, the most recent examples being the Hackensack Meadowland Commission and the Pinelands Planning Commission. However, neither of those agencies have the broad powers provided for in Assembly Bill Number 1950.

Section two of the bill sets forth the legislative purpose and discusses the various issues to be addressed by this legislation. State government and its various agencies are already vested with sufficient power to deal with the concerns raised in the bill. It is simply a question of employing the proper mechanisms and statutory capabilities. The word "housing" was mentioned no less than five times in Section 2 alone. Anyone remotely familiar with Atlantic City and Atlantic County knows that housing is a serious problem, but query whether or not another bureaucracy is the solution.

The Atlantic City Housing and Development Agency, the Atlantic County Improvement Authority, together with the State Housing and Finance Agency presently do have the legal capability to deliver public housing. The 2% gross revenue tax earmarked for reinvestment pursuant to N. J. S. A. 5:12-144 is an ideal means to finance such projects. In lieu of creating a totally new state agency, the governor and the legislature should be encouraging the Casino Control Commission to take the lead on establishing priorities and accepted vehicles for the investment of the 2% gross revenue tax.

With regards to the more specific concern of the distribution and location of public housing, recent actions by DEP in the implementation of CAFRA standards, to wit, imposition of a minimum percentage of low and moderate income housing units, reveals that state government is already equipped to deal with this facet of the housing issues.

Section 4 provides for the establishment of the public body to be known as the "Atlantic Regional Commission." This commission shall consist of eleven members of which only 5 will be Atlantic County residents. Thus, the legislature is assuring that the views of Atlantic City and the county will always have to work from a minority position in attempting to establish policy for the commission.

Subsection 4(h) designates the Commissioner of Community Affairs as the chairman of the commission. If this commission is to be a truly policy making agency, why not permit the individual members to select their own chairman?

Subsection 4(i) the provision for a gubernatorial veto is particularly offensive. Admittedly, the governor does have veto power over the actions of various "administrative agencies"; however, the proposed commission has powers going far beyond administrative details and will have the ability to establish policy. Such a delegation of authority by the legislature to the governor is

is a perversion of the separation of powers.

Section 7(a)5 would permit the commission to employ anyone they wish without having to comply with Civil Service or any other standards of hiring. The number of employees and their salaries would be virtually without restraint. The creation of a new bureaucracy is totally unnecessary.

Section 9(c) and (d) would effectively establish this commission as a review agency for actions by the legislature and federal government with regard to the financing of all capital projects within Atlantic County. This is an enormous power which has potential for abuse.

But most devastating of all the provisions is that contained in Section 11. The City of Atlantic City has expended a great deal of time and money in the development of a Master Plan and Land Use Ordinance that would guide the city's physical and economic development. Public input was obtained from every cross-section of the community to create a plan that would provide for the development of a new industry while preserving the integrity of our neighborhoods.

The Master Plan was developed in direct compliance with the New Jersey Municipal Land Use Law by establishing firm district regulations with the flexibility of allowing relief of these provisions where a demonstrated need exists.

Section 11 would subvert the planning process and the Municipal Land Use Law as it pertains to Atlantic City and require that an already strict yet flexible Master Plan be etched in stone.

Furthermore, this provision would severely hamper the development of housing by adding another step to the already intricate and overly involved approval process. All major housing developments (25 or more units) must receive CAFRA approval in addition to all necessary local approvals. Therefore, a system of checks and balances already exists between the city and the state. This additional step will only serve to delay the development of critically needed housing units for all socio-economic groups. Additionally, the legislation does not provide a procedure for appealing use variance decisions of the commission. In the absence of such a procedure the applicant would appeal to the courts, again delaying housing development in Atlantic City.

In conclusion, it is my opinion that this legislation would have the net effect of eliminating the need for Atlantic County government and its various agencies. It is obvious that this legislation goes far beyond merely attempting to set up a framework for addressing area wide problems on a regional basis, but rather totally subverts legislatively mandated local government structure.

We have approximately 16,000 housing units in Atlantic City. One-third of those units already exist as subsidized housing units for low income people who are living there, families and senior citizens. There are very beautiful and comfortable apartments, some of which have been opened recently. But, we are constantly going ahead with buildings, with primary emphasis on low and moderate housing. We are opening one building after another within walking distance of the city hall with beautiful apartments that I would love you to visit, and also fine units for families. And, now we are entering into a project for some 3400 new units with both low income and middle income housing. Now, when we talk about low and middle income - middle income is supposed to be for a family earning between \$15,000 and \$30,000. And, that will be the large strata of employment in the casinos.

We have prepared a development where a family of that type can purchase a small home, a very comfortable home. You can see an exact prototype of that home in Stover Mills near Doylestown. They can buy that home under existing regulations for a 4% mortgage. A family of that income can buy a home. We intend to sell it for approximately \$55,000 with heat, air conditioning, a beautiful home. Commissioner Clayton and I just visited a few days ago. So, we are taking very definite steps into the progress of housing.

Now with respect to the sharing of our revenues, we are having extreme difficulty now. We are not getting the revenues from the four casinos to give proper services to the people of Atlantic City who need it. The prime situation is horrendous. It was brought on by casinos. We may be near 40 million people, but we are near many, many thousands of crooks, too. And, they come to Atlantic City and they are here. Just this morning we had to be at an emergency to provide some monies for a nurse who was beaten up on the street, an Atlantic City nurse who had just visited and cared for a patient, and when she came out of that high-rise she was attacked by three hoodlums, her nose broken, and she was put into the hospital in a very serious condition. Some doctors would not even treat her without getting the city to pay for it. So, we had to make sure she had money to carry on until she could receive the workers' compensation. So, we are desperately in need of an additional 100 policemen. And, we must receive additional revenues from these casinos. Each casino causes us to put on so many policemen and so many other services that they are not even paying for themselves. The county insists on knocking down their assessments.

So, what is the situation going to be when they take half of that taxation and distribute it where they will? We think that is very unfair. We think it is also very unfair for the state to feel that their officials and their appointments to administrative bodies have a higher rate of integrity than the citizens of Atlantic City that we put on the planning and zoning board and other boards. We think ABSCAM shows that it is very unfair and untrue. We also feel that eminent domain is a problem here. People in Atlantic City have struggled for many, many years, widows and elderly people, most of them have finally a little home for themselves, and they see other properties going for tremendous amounts of money, and then eminent domain can come along and offer them a pittance for their property. They offered a widow \$22,000 for her property. Where can she go and what can she do with \$22,000? That is eminent domain. We think that it is very unfair for eminent domain to be used here.

I am glad that Mr. Le Fante spoke about the beautiful job that the city is doing in the revitalization of its neighborhoods, with State and Federal help. The surrounding cities in the county, yes, they have additional burdens by way of traffic and so forth. But let us remember that the first thing that happened with the advent of the passage of the casino referendum is that the value of all property went up, and the value of homes outside Atlantic City actually went up higher than those in Atlantic City, because they were preferable for the executives and the other highly paid workers who came in to the casinos. They spread out for twenty to forty miles purchasing homes. So, their rateables are up, and they are receiving additional taxes because of casino gambling. We are all taking some burdens along with what we think are the assets to the State of New Jersey. We think we have an ability and people to work out these problems, and we think we can work them out by ourselves.

Assemblyman Paterno said that the State of New Jersey has a stake in Atlantic City. I am afraid that stake is being driven through the heart of Atlantic

City. I don't want to get too emotional. I feel very, very strongly that we do not need further take-over. A year ago we had a presentation of a people mover in Atlantic City which we badly needed. We were thirty-six months away from having that people mover when the State moved in with the Transportation Authority, and I doubt whether we will have a people mover within the next ten years. These are just some of the things that are happening. (Applause)

ASSEMBLYMAN PELLECCCHIA: Thank you, Mayor. You have been very informative, as usual.

ASSEMBLYMAN COSTELLO: Mayor, I made some notes, and I would like to maybe disagree with you in saying there are other commissions where the authority has been delegated to them, such as this particular commission proposed under this bill.

I think for those who have been through the pinelands bit, there are other commissions that have been delegated tremendous amount of authority that is being questioned, whether or not it is warranted, and what have you. I would agree with you that perhaps one of your problems is that there is a great deal of bureaucracy and what have you that might be serving as a deterrent in your reconstruction or providing of new housing as you demolish, and what have you. But, I must say this: I can't even recall the individuals of whom I asked the question, but it is, you are proceeding with casinos, and at the time you had two functioning, and the third about ready to come forth. What are you doing about housing? I am not asking you the question. This is not a question, but this is a statement. I am notorious for making statements. I would prefer to sit with you one on one in some other place, Mayor.

The response to my question was, "Well, we have a plan." I said, "Where is the plan?" It is on the board. It is--- Wait a minute. You said something that would tend to refute that that you do have plans. You talked about 3400 units being subsidized units and what have you. But, somewhere along the line you are going to have, hopefully, construction of homes that would be made available for ownership and what have you. Again, I must express my concerns and not dwell on them at this time. How are they going to be able to afford to pay this tremendous increase in the taxes, which is a concern of yours. I know your legislators are concerned with that problem, also. But, I want to say, it is not a question of integrity. I don't interpret the proposal of this legislation that anyone is questioning your integrity. Giving them the benefit of the doubt, I kind of suspect they are right. They recognize the problems and hopefully they can be of some help to you for the implementation of some of these programs.

But, you have all indicated that you are the recipient now of some state aid. So, the question I would have, not at this time, but surely if I am around, either as a legislator, or whatever the capacity, when Atlantic City keeps the money here, and in the neighboring communities, which might be proposed in this legislation, when the time comes, when you have been able to provide yourself with a new tax base, because of the casinos, that you find your revenues increased to such a point where you can breath a lot easier, would you then say that it would be fair that I as an individual came to you and said, "Mayor, let's you and I sit down and talk about your claim to urban aid." Would you say, "Hey, we don't need it anymore. Put it back in. It is locked in forever now." Would you say---

You have talked about the nurse who was assaulted and what have you. That is a concern. But I also have--- This is one of my great disturbing features

of Atlantic City, this urban aid thing that is going really hot and wild, man. Atlantic City is one of the beneficiaries of urban aid; am I correct?

MAYOR LAZAROW: Yes.

ASSEMBLYMAN COSTELLO: You are locked into it forever. Somewhere along the line, the casinos and all the goodies that come with it will provide you with the wherewithal to sustain yourself, and hopefully relinquish what you feel to be your claim to urban aid and let that money go back out to other communities who are not in the position to go out and bargain for the casinos.

MAYOR LAZAROW: We would like nothing better than to do that.

ASSEMBLYMAN COSTELLO: Okay, but by legislation, by law, it is locked in. You get it forever. That is another law that is going to have to be changed.

MAYOR LAZAROW: In other words, as I understand your question about urban aid, you are talking about HUD Section 8 payments which were contracted out for forty years---

ASSEMBLYMAN COSTELLO: No, these were state monies.

MAYOR LAZAROW: To answer your question very briefly, when we got into the position where we could afford to carry on the needed services of Atlantic City, we certainly will be happy to share with others. Not everybody can live in Atlantic City. Everybody who comes here--- More and more people who are coming here would like to live here. We can't house everybody. So, we must go outside of Atlantic City and we must help provide housing outside Atlantic City. Up to now, the areas outside of Atlantic City did not want any part of our housing problem.

ASSEMBLYMAN GIRGENTI: I am not going to make a long presentation, because you have heard some of our feelings already. I do understand some of your concerns, especially in this area of being a minority on the commission. It does allow the county executive and the mayor to be on the commission, plus three representatives from Atlantic County. The total is 11, so you are always going to be one short from the beginning.

As I say, this whole concept does not sit right with me. I have said before that I have been a strong believer in the concept of home rule, and I think we are getting a little bit away from this. I don't think there is always a monopoly of intelligence on one layer of government. I think the best government is the government that is closest to the people. Really, that is only a statement. I do understand your problem. I understand your concern with the bill, and I assure you that we are going to evaluate very thoroughly before we will even consider this piece of legislation.

ASSEMBLYMAN PELLECCCHIA: So the members of the committee understand, from here on, any sentiment that we wish to give, we certainly have an opportunity to give our positions in the committee, so in order to alleviate this constant time consuming, please remember that we will be adding these statements to the record, and if there are questions, please ask them. But, if they are statements, I would appreciate it if you would hold them and present them later.

Cary Edwards.

ASSEMBLYMAN EDWARDS: Mayor, I have two questions. You heard me ask, I think, Commissioner Le Fante and Assemblyman Patero the first one. Why can't, in your opinion, the existing governmental structure, namely the county planning arm or the county board of freeholders, be given the kind of authority that exists in this particular legislation to deal with the regional housing problems as opposed to doing it the way it is proposed in this bill? I am asking you this as an alternate,

because I am interested in pursuing that alternate after this legislation.

MAYOR LAZAROW: Assemblyman Edwards, there is, believe me, enough talent in this county and city. We sat for many, many weeks with forty representatives of Atlantic City and chose who we felt was the best master planner in the world. We did not spare expense. We paid them a half a million dollars to prepare this beautiful master plan. We think we were right in the choice we made. The county has a fine master plan; the county has a great planning staff; the city has, too. We think we certainly have the capabilities to do these things much better than someone from out of town coming in and trying to do that.

We met with the master planner. Our first concern was that this should be a city of people and not of casinos. And, he agreed with us, and they actually zoned more land for residential use than was ever zoned before. But from time to time, even the master planner admits there must be flexibility; there must be some change. Now, zoning and planning boards for the most part - 99% of their decisions have been with the master plan, in conformity with the master plan, and I think they have the right once in 100 times to make a change that they feel is necessary for the betterment of Atlantic City and the Atlantic City area. We can do that job.

ASSEMBLYMAN EDWARDS: Your answer, then, is yes, you believe we could give some of these powers to the county governmental structure and that that would help facilitate and speed up this process of delivering low and moderate income housing throughout the area.

MAYOR LAZAROW: Atlantic City is beginning to work together in unison to solve these problems.

ASSEMBLYMAN EDWARDS: The second question very quickly, you indicated there were more rateables - I am going to take issue with that as sort of the devil's advocate - were being developed in the outlying communities as a result of the housing units that are going to be built there. My information with reference to the value of a housing unit as a rateable is the negative rateable, that a single family residential dwelling costs more in tax dollars to support than it does in tax dollars that it generates. Therefore, the tax dollars or the revenues, or potential revenues being generated by the rateables being developed in Atlantic City, are what are needed to help develop and deal with the necessary supporting infrastructure in the rest of Atlantic County.

Do you see any meaningful growth in the true rateable, non-residential rateable, in the surrounding areas or surrounding municipalities?

MAYOR LAZAROW: Yes, absolutely. There must be commercial growth out there.

ASSEMBLYMAN EDWARDS: But is there now?

MAYOR LAZAROW: Yes, there is a trend. Yes, it has been a trend to move out, certain industries, into the surrounding area. Let me say this: Just as you say, you may consider that as sort of a negative tax because they have children that go to school, and so forth. But, there are two things we want to face. First of all, before casino gambling you couldn't give away certain property. After casino gambling every man's little piece of property suddenly became worth something, and that is important, that all these houses, and all the land outside of Atlantic City, are worth much more to the owner than they were at one time. We need some help from the legislature in that we need a residential exemption in assessment. The farmers have it. We need that desperately so that

people can continue to live in these houses while they are residents. That is the relief we need from the legislature.

ASSEMBLYMAN EDWARDS: Thank you very much.

ASSEMBLYMAN PELLECCCHIA: Mayor, I want you to know if you look around this room and see how many dignitaries you have from Trenton here, this must be a very, very important matter for the State and for this municipality. I want to thank you for your presentation. You have done a fine job. It will be given every consideration by this committee. (Applause)

MAYOR LAZAROW: Thank you very much, Assemblyman.

MR. WUNSCH: Mr. Chairman, for the record, Richard Lavin, a legislative liaison for Atlantic City will provide his testimony to the committee and will be available to answer questions on the zoning problems.

Two legislators wish to testify from the area at this time, Mr. Gormley, and Mr. Matthews.

ASSEMBLYMAN WILLIAM L. GORMLEY: It is very nice to see the Committee here today. It is especially nice because, as you remember when we were amending the Casino Control Act a few months ago, there was a provision in the bill at one time that they didn't want to have hearings in Atlantic City unless you showed cause why a hearing should be held here. I don't think any of you have been corrupted or affected by the fact that the hearing is taking place in our region. That is an example of one of the things that causes irritation among the people whom I represent and Mike represents, because we have a situation where all too often we are singled out because of casino gambling and we realize that we are unique. But this bill that has come before you to be reviewed is not the answer. I would like to read a brief statement and then I will address certain points that were brought up by earlier speakers.

There are a whole series of comments which could and will be made during the course of today's hearing with respect to the development of a super-agency. Generally though, I think you will find that two broad categories become obvious rather quickly. All of us who can walk or drive here in less than 15 minutes are going to say such an agency is an unnecessary duplication or worse; and those who are visiting from the north are going to say that the agency is imperative. The distinction is an important one, just as it is important that the members of this panel realize that there is far more to the negative comments you are going to hear than protection of local prerogatives.

There is not a person in this room that will tell you that our area does not have problems, that duplication of effort does not exist, that coordinated action has been difficult. There is not a person in this room that will claim that Atlantic City or Atlantic County was prepared for the growth which is occurring, just as there is no one who can honestly claim that the State of New Jersey was or is now prepared. There is not a person in this room that has a "cure all" that we can all so readily agree exists. But I think that many would agree that some of the easy solutions being brought forward are both inappropriate and poorly conceived.

To an area which has attracted the casual or direct involvement of every conceivably State agency in the last two years, it is difficult to accept a solution which creates yet another State agency. To an area which must already work within the guidelines of CAFRA, DOT, water quality, air quality, wetlands, riparian and pinelands, and which must now try to fit much needed housing within the artificial boundaries established by the Pinelands, it hardly seems reasonable to provide as an honest answer yet another layer of review.

To an area which has been the favorite choice for statewide experiments which have among other things attempted to override local zoning controls, establish quotas for low- and moderate-housing, while simultaneously creating the most artificial, speculative market ever in the State of New Jersey, it is hard to expect a positive response to another experiment.

It is hard to resist the temptation to create another State agency. I realize that and, in a way, appreciate the difficult task facing your committee. But let's put it in perspective. All of you come from communities with some problems. Just as surely, all of you come from communities which are involved on a regular basis with fewer State agencies than Atlantic City. We are not sitting in your towns today because the best answers to your problems is not more State government; and just because we happen to be sitting here, the best answer for Atlantic City is not more State government.

Which of our problems does the super-agency solve? Will it provide the money for housing or roadway improvements or sewers? Will it change the Pinelands guidelines to permit housing in communities not already intensely developed, or speed up the licensing of perspective casino employees? Will it change the State-imposed cap for hospital expenditures so that salaries can be made competitive?

In all candor, the agency proposed simply doesn't address these problems. It is a reactive suggestion. It expresses a belief on the part of the State that local government cannot handle the problems. But it does not show a recognition on the part of New Jersey that it is a major part of the problem.

There will be those who will say that if everything you have stated is true, why shouldn't we have an agency that coordinates State activities? To this question, there are two answers. If State government was doing its job without each agency trying to protect its own turf, such coordination would be unnecessary. We have seen no evidence to indicate that State government is better equipped to solve problems than is local government.

I grant you that on occasion it might appear that the State might be able to make better decisions. But in this regard, I am reminded of one of Aesop's Fables frequently quoted by Sam Ervin. It concerns the lion that invites another animal into his den to pay a visit. The animal said, "I am not coming. I notice all the tracks of those who have accepted your invitations in times past lead into your den and none come out." Government never surrenders power once given it and this super-agency will not be an exception.

Atlantic City is not perfect nor is Atlantic County. We recognize our problems and we are working on the answers. We require help from State government and we have a right to expect it. But we don't need, don't expect and won't accept State control.

I, personally, like many bureaucrats. But I and the people of this area do not want to be governed by them, no matter how benevolent.

ASSEMBLYMAN PELLECHIA: Assemblyman Gormley, we on this side of the table have decided we will not ask any questions here because we feel that we will have an opportunity to talk to you in Trenton on your particular presentation. However, Cary, has reserved the right to ask you several questions.

ASSEMBLYMAN GORMLEY: What I would like to do is very briefly go over several points that I think are important from what was stated this morning.

First of all, throughout the bill they cite the great moral dilemma that we have with regard to housing. I think it is inconsistent for every member of the administration who will be here today to testify today with regard to the housing need and not testify before the Pinelands Commission on Friday before they adopt their comprehensive management plan. Eighty percent of the region known as Atlantic County is in the Pinelands. Eighty percent of the ground that could be used for housing is in the Pinelands. Yet we have one State agency that is taking away the legitimate use of that ground for development.

Also, the investment credit has been mentioned. The investment credit, even with what is being proposed, is not a panacea. Everyone says, "Let's use that investment credit, that extra 2 percent from the casinos." That 2 percent is a limited amount of money because it is limited right now by a formula which provides that if the capital investment of the casino exceeds the gross revenues that it takes in, in a year, you don't get that 2 percent. The way the costs are coming on the new casinos and with the competition, it will be a limited fund. It will

not be a flat 2 percent, which many might believe will be coming from the entire investment.

The Casino Control Commission could require a casino to build housing if it wanted to. So the fact that we have a line in there talking about housing with regard to casinos is misleading; it is unnecessary.

Speaking as a legislator from this area, you would like to give a lot of easy quotes. I feel that this bill represents not the possibility to condemn the ground, but the condemnation of the right to vote of the people of this region, because you are taking it away. We know as politicians that if the members of the Governor's cabinet who are here today were to go back to their region and propose this bill, with the usurping of local power that has been suggested, it would go nowhere. We would expect and hope for that same kind of respect. We do not want to be delegated to the role of the District of Columbia of the State of New Jersey. We want the right to vote to mean something in the State. We want officials in this county and in Atlantic City to be more than people who lead parades. We want them to be able to make decisions. This bill totally takes that authority away. It goes entirely too far.

One closing comment - it has been said a lot that this bill will benefit the rest of the county. The rest of the county is against it. The other 22 municipalities don't want the bill, despite the property tax funding program. And, by the way, the tax-pooling provision is the most confusing thing. We would have to get 400 experts to understand it. It is one of those incredible provisions that will mean whatever the bureaucracy wants it to mean after it passes. Maybe that is why it is written so vaguely. The rest of the county doesn't want it. The rest of the county is saying, please, don't do us any favor and don't pass this super-agency bill.

ASSEMBLYMAN PELLECCCHIA: Thank you.

ASSEMBLYMAN EDWARDS: Getting back to the question I asked earlier, do you think that the existing county structure can be granted some of the responsibilities, authorities and controls put forth in this particular bill, as opposed to creating a superagency, and maybe deal with some of the more regional needs, so that we avoid the intermunicipal bickering and discussions that prolong an obviously difficult process of delivering housing in the region?

ASSEMBLYMAN GORMLEY: I think they can. Unfortunately, we all realize that in the districts from which we come that we are always going to have housing problems and we are going to have certain concerns of human misery that are not going to be solved overnight. But we do have unique programs. As you know, we are the only county in the State through its Improvement Authority that is in the area of housing to provide for low- and moderate-income housing. We have an active program that is being set up on the county level, through legislation, through the Improvement Authority. So we do have legislation available. Admittedly, all too often we have bickering among the municipalities and the county. But that is not peculiar to Atlantic County.

In fact, whatever problems you might hear from whoever might come after me --- The problems do exist, but they exist everywhere. If this is such a panacea, why don't we have a New Jersey superagency and we will give President-Elect Reagan the right to veto everything in the State of New Jersey because those problems of human misery that exist in Atlantic County exist throughout the State? So, if the

omnipotent solution is the way to do things, how would the whole State like to have a veto from the federal level over everything that you do? Of course, not. That is exactly what is being provided for in this, a veto on the State level of the day-to-day existence of our local government.

ASSEMBLYMAN PELLECHIA: Assemblyman, we will be talking with you later. Thank you for testifying.

MR. WUNSCH: Mr. Matthews has agreed to yield to Mr. Perskie for a couple of minutes; and Mr. Matthews will follow. Then, we will hear from the Governor's people.

ASSEMBLYMAN PELLECHIA: We have to give the legislators their prerogative. I know that the cabinet members are here, but the legislators were scheduled to speak and I think this Committee owes it to the legislators to hear them first.

SENATOR STEVEN P. PERSKIE: Thank you, Mr. Chairman. I want to assure the members of the administration that I will be brief.

I appreciate the opportunity and the courtesy of Assemblyman Matthews.

I apologize to this Committee for the fact of this bill and for the reference of this bill to the Legislature. It is an insult to this Committee. It is an insult to the legislative process. It should never have been.

There are a number of concepts addressed by this bill that desperately need the attention of the State government and of the County of Atlantic and of the several municipalities that make up the County of Atlantic. There are a number of concepts that are dealt with in this bill that would be very salutary to address the problems that face the people of our area and the legitimate interests of the State government. But this bill has been presented, not only without the approval but over the strident objection of the legislators and the people of the very area that the bill is designed to affect. It was known to have been presented on that basis by the administration prior to the time that it was presented. The administration was advised that the presentation of this particular concept and this particular bill would render totally unpalatable the manageable ideas that are contained in the bill and that the bill would, accordingly, be counterproductive. I don't think the bill should have been introduced.

I commend this Committee for doing its job in terms of seeking and receiving public input. I think that that speaks well for this Committee. I can assure you of the unyielding hostility to this bill from the representatives of Atlantic County in both Houses of the Legislature. I can assure you that if perchance this bill should be released from this Committee - which I hope it will not be - and if, in turn, it is passed on the floor of the Assembly - which I hope and expect that it will not be - that I would do whatever I could do in the Senate and in the Senate Committee, which is the sister committee or brother committee to this Committee, to insure that the bill does not pass. It shouldn't pass.

What should be done instead is that the several agencies of State government that have expressed their concerns in the compilation of this bill should sit down with your Committee, with the Committee that I chair in the Senate, and work together in addressing the substance of this bill, without the wholesale onslaught against the normal government structure that obtains in the State of New Jersey.

I don't think I need to repeat the arguments that have been made or those that will follow. I don't want to dispute the remarks that I am sure will be coming from the cabinet officials who favor Atlantic City today with their collective presence. The concerns they have are legitimate. The concerns are real. But the existing municipal and county structures that are in place or that could be made in

place subject to local priorities and local determinations are equal to the tasks before them. Accordingly, I would request that this Committee, after its full deliberation, would vote to retain this bill in committee.

If you have any questions specifically, I would be happy to try to address them.

ASSEMBLYMAN PELLECCCHIA: You are the same efficient Steve that I knew - the same Steve that fought with me, first, as a prime sponsor for Atlantic City casinos; then, after that was defeated, the second time I co-sponsored his bill. Maybe you and I were the guys who started all of this.

Thanks again, Steve.

SENATOR PERSKIE: I do want to add my thanks to you, Oz, personally, for your granting our request to have this hearing here in Atlantic City as opposed to the more normal process of having it in Trenton. It is a courtesy that you extended to us that we deeply appreciate.

MR. WUNSCH: Assemblyman Matthews, please.

A S S E M B L Y M A N M I C H A E L J. M A T T H E W S: Good morning.

The matter before us this morning, Assembly Bill 1950, is representative of the kind of legislation that has caused the voters of Southern New Jersey in the November 4th election to vote against pinelands legislation; vote for compensation to property owners; and, in a direct message to Trenton, vote for secession from the State.

Southern New Jersey is currently regulated by the Pinelands legislation, wetlands legislation, CAFRA legislation, and the proposed Dunes Bill.

Past history has shown that the Department of Community Affairs, Human Services, Environmental Protection and Transportation have, for the most part, been far more interested in regulating rather than serving the citizens of Southern New Jersey. Add to this the fact that the Casino Control Commission which regulates all casino activities in Atlantic City has not one representative from Southern New Jersey. The broad category of powers that would be given to the Atlantic Regional Commission would, in most instances, duplicate existing State authority and eliminate local input. This layering of bureaucracy upon bureaucracy is not acceptable. It appears that the creation of these additional layers of bureaucracy serve to create patronage jobs rather than solve problems. And, incidentally, these patronage jobs are not going to go to residents of South Jersey. What this bill proposes to have is only two elected officials, one countywide and the other, the Mayor of Atlantic City, who is not elected by the people as Mayor, but as one of the five Commissioners.

The five Commissioners then determine who the Mayor is going to be. All the rest are appointed by the Governor one way or another. Elected officials have a responsibility to provide, at a reasonable cost, efficient services needed by their constituents. This is almost the same argument we have here today. The people of South Jersey and Atlantic County are not stupid. They are elected or they are appointed and they can do the job as well as the people from North Jersey or any other place. I think this is really a slap in the face of home rule and the "one man, one vote" concept.

On the one hand, I am told by Terry Morre in the Pinelands Commission that they have presented regulations that will adequately address the housing and social needs of the region.

However, Assembly Bill 1950 seems to imply just the opposite. Possibly we should go back and analyze the implications of the Pinelands Bill and other regulatory agencies that are stifling Southern New Jersey's development.

Finally, I would like to address three points concerning the fiscal impact of this bill.

First, casinos have not been the great benefit that everyone thinks they have been.

In 1978, Atlantic City had a tax base of \$291 million.

In 1980, the tax base had grown to \$847 million.

However, only about \$250 million of this \$556 million increase represents casinos. The remaining \$300 plus million represents increased valuation of existing property. The 50 percent drop in the city's tax rate has not offset the 100 percent increase in valuation of non-casino properties.

Most people in Atlantic City now pay more in property taxes than they did prior to casino gaming.

Second, the inflation of property values has resulted in the loss of State and Federal aid. It is estimated that the property tax levy will increase by 15 million dollars in 1981 before any increase in government expenditures is taken into account. The loss of school aid, the loss of luxury tax revenues, and the loss of Safe and Clean Streets and Urban Aid funds are only some examples. Herman, you said before that that is perpetual. It is not. When your tax rate falls below the level set by the State, you lose that money. We are losing \$2.5 million in Safe and Clean Streets and Urban Aid.

The third point is that I have estimated that this bill will cost the city about \$5 million. This represents an increase in the city's tax rate of about 50 cents.

I plan to submit a more detailed review of this bill to the Committee for its consideration in the near future.

ASSEMBLYMAN PELLECCCHIA: I want to thank you for your brevity. I will assure you this Committee will be seeking your help, as we have in the past, before we move on this bill.

ASSEMBLYMAN GIRGENTI: Just one remark, Mike - I think you know that all northern legislators are unconcerned about the problems of your area. Ozzie, myself, and Cary are all from the northern area and we agreed with you on the Pinelands issue and voted accordingly. You know we are here because we are concerned about your problems. We understand the situation. We know that home rule is being jeopardized every day. More and more we are doing away with what little is left of the ability for local government to govern itself. I want to assure you, as an individual, that we are going to thoroughly analyze this. I do not like the concept of this. I think we are getting further and further away from representative government and we are putting people in appointive positions who then have the right to affect our everyday live. I think that is a sad trend and we are here to see if we can stop it.

MR. WUNSCH: We will take the Governor's cabinet people now: Mr. Degnan, Ann Klein, Commissioner Horn, Dr. Bonice and Mr. VanNess.

ASSEMBLYMAN PELLECCCHIA: I never saw a more distinguished group in my life. I don't know how we start. Is it by seniority, or what?

J O H N J. H O R N: That sounds all right to me. I have a very short report here; I deal primarily with the unemployment situation relative to the

area. I have a very brief statement here and then I would like to make a couple of comments following those remarks.

The Department of Labor and Industry, working with the community of Atlantic City and the operators of casinos, has for sometime anticipated that the development of Atlantic City and its new casino industry would be more complex than anyone on the scene in 1977 had imagined. It strongly felt that the accompanying problems of employment, unemployment, housing, transportation services, child care and other social costs and dislocations would be too much for the Atlantic City community and other surrounding communities to handle individually.

Staff persons in my department have discussed the creation of an entity similar to the Hackensack Meadowlands Development Commission to administer a regional development strategy for the Greater Atlantic City area. This Assembly bill, Number 1950, would create the Atlantic Regional Commission, which would effectively address these multitudes of concern.

Of course, my department is especially interested in employment opportunities for the residents of Atlantic City, Atlantic County and surrounding counties and the balance of New Jersey. Much has been said regarding the growth of employment opportunities and the fact that traditionally high unemployment rates remain stubbornly high, as detailed in the recent Governor's Task Force on Unemployment in Atlantic City. Dr. Williams, who was the Chairman of that Task Force, will be here this afternoon to testify.

Through the creation of the Atlantic Regional Commission to address the many factors connected with alleviating high unemployment rates in this region, the greatest benefit is the new Commission's ability to provide for concerted development of educational and employment training programs, necessary to enable the local residents to benefit from the casino-related employment opportunities. Should the absence of this Regional Commission continue, the negative effect of the labor shortage in certain skilled occupations and a continued high unemployment rate among low-skilled and unskilled persons could develop to a critical stage in a relatively short period of time over the next few years.

The Department of Labor and Industry has taken corrective action in the area of career information dissemination by counseling UI claimants and AFDC recipients to obtain jobs as quickly as possible and by cooperating with other State, county and local agencies to provide employment and training services to those needing further employment ability development. However, these piecemeal steps are not by themselves enough.

With these considerations in mind, I believe the need for a Regional Commission to insure coordinated development necessitates the enactment of this legislation.

I would like to comment that after listening to a lot of the testimony here today and reading the bill, I think there is one thing absent in this bill, Mr. Costello and other members of the Committee, the fact that the Department of Labor and Industry is not a part of this Regional Commission. Yet we are charged with the responsibility of providing employment for training facilities, and placement of people. While we are members of the Pinelands Commission and CAFRA, which is in the same area, to make some determinations, I think there ought to be amendments to this bill directed to those areas that were discussed today, especially to the inclusion of the Department of Labor and Industry as a member of this group, to assist this area in the employability of the people of Atlantic City and Atlantic

County.

That, sir, concludes my remarks.

ASSEMBLYMAN COSTELLO: Thank you, Commissioner Horn. It was noted that your department was not a member of the group as set forth in the bill. Someone commented on it. I think the proposed amendment should be submitted to the Committee and considered. Mr. Patero is aware of it, I know.

Are there any questions of Commissioner Horn?

ASSEMBLYMAN EDWARDS: You have been sitting here and no doubt heard the question I have been asking all along. What is it about the existing governmental structures that you feel can't be modified to be able to deal with the problems, and the emergent problems, at the speed with which these problems need to be addressed because of the rapid development of the Atlantic City Region? Why is it necessary for your department and the other departments to be involved and why can't we rely on beefing up, modifying or increasing the powers of the existing governmental structures?

COMM'R HORN: Well, I think our department may be different than DCA or Human Resources, although Human Resources may be somewhat similar to our department. We have in place, which the city doesn't have and isn't required to have, the employment services, the job-training services, and the customized training services. We provide that not only for Atlantic City, but for other cities in the State. So Atlantic City does not have those things in place. We have them in place as a service to all of the cities of the State, not just Atlantic City.

ASSEMBLYMAN EDWARDS: But relating directly to this and the problems addressed by the bill, right now you are not a member of the Commission and those services are being delivered. In your opinion and from your experience in State government and in local government that I know exists, is it not possible for us to amend the existing governmental structures to give them the power to accomplish what we are attempting to do or deal with the problems we are attempting to deal with, including the unemployment problem?

COMM'R HORN: I think, from my experience in the Legislature, your committee is empowered to make all of those amendments to take care of the problems that are being raised here today.

ASSEMBLYMAN EDWARDS: Thank you.

ASSEMBLYMAN COSTELLO: There are no further questions. Thank you, Commissioner.

MR. WUNSCH: Next is Commissioner Klein of Human Services.

A N N K L E I N: Thank you for holding this hearing today and for allowing us to testify before you.

I am Ann Klein, the Commissioner of the Department of Human Services, and I do appreciate the opportunity to testify on this legislation, which would establish an Atlantic Regional Commission to address the complex needs of Atlantic and neighboring counties.

As I sat and listened to some of the testimony just a little while ago, it reminded me very much of the testimony that we heard when I was in the Legislature in regard to the Meadowlands Commission. I know the kinds of fears that that aroused and the kinds of feeling of usurpation of home rule. But I had an opportunity to visit the Meadowlands before that commission began to operate and to see what kind of development was going on. And, of course, we all

can see what is happening there now. So, before we completely reject the idea of a Regional Commission to have some regional approach to the development of this area, it might be good to look at some of the benefits that were derived to the communities in that region through a cohesive approach to planning and development.

The arrival of casino gambling certainly has had an impact on thousands of citizens in this area who rely upon the Department of Human Services for welfare and medical and social services.

I will address the legislation from the perspective of a State agency serving the most vulnerable persons in the region and attempting to keep up with the rapidly growing service needs. And I can assure you we are not keeping up by any means.

First, in order to understand the impact of the casinos on this system, it is important to understand the state of services at the time the referendum was passed. Atlantic had the second lowest per capita income in the State and it also had the second highest proportion of its population receiving aid to families with dependent children, the basic public assistance program for children and their families. One out of five people in Atlantic County were more than 50 years of age. In short, the county had a disproportionate share of persons most dependent and most in need.

Because the county did not have a sizable industrial growth rate, the economic decline also had an impact on local social service agencies who were dependent of the tourist and convention industry for financial support. Some agencies went out of business and others had to curtail their activities. The same decline led to empty hotels, vacant tourists homes and empty apartments. The hotels became ideal locations for seniors wishing to retire to the shore area or for individuals wishing to purchase facilities for nursing homes, boarding homes and sheltered care. As unrented apartments became available at low rents, poor families moved into the city. Because beds and low-cost rooms were here, Atlantic City became an economical place to live if you were elderly and living on social security, or disabled and living on supplemental security income. With the advent of this industry, 60 percent of the sheltered care beds and 80 percent of the nursing home beds in Atlantic City are now in areas zoned for casinos and luxury development. That is a very significant thing, that 60 percent of the sheltered beds and 80 percent of the nursing beds are in areas zoned for casinos and luxury housing.

In summary, at the time the casino referendum passed, our agencies were for the most part small, understaffed, heavily dependent on various federal and state funding sources and unable to grow, except by getting grant money for whatever programs were currently available from the federal government. The area then was affected not only economically but socially as well with many lacking hope for the future.

I was on the legislative commission on gambling prior to my position in the cabinet when I was in the Legislature and I came to Atlantic City and was present at hearings on that and did, in fact, support the development of casino gambling in Atlantic City because the poverty and the terrible conditions that one saw and realized were here obviously needed some enormous boost. And, certainly, casinos have made a very, very big change. But I don't think that we really foresaw what some of the dislocations or problems would be that would arise.

Casinos have brought more jobs and revenue to the area. However, they have also had an undesirable effect on some people in Atlantic County. The worst

of the ill effects are a critical housing shortage and spiralling rents, as Commissioner Le Fante testified.

I would like to speak to you about some special needs which may not be as visible, but which are equally important because they involve the emergency shelters for women and families, temporary and transitional housing for victims of emergencies and those moving from institutional to community living, and sheltered living to those who do not need institutionalization but who can't live without daily services.

As the impetus of casino gambling moves the city and county to a healthier climate, this very return to health causes the old hotels to become valuable again and causes those empty motels which used to be there for victims of fire, etc. to be occupied or too expensive to rent. The need for short-term shelter is one area in which the casinos have clearly impacted, as statistics show. Travelers, assistance, open 16 hours a day, serves transients with problems and finds that 70 percent of the clients have a problem related to the existence of casinos. Most have lost all of their money gambling and need help to get home. Others came to town thinking jobs would be easy to find and ran out of money. The motels currently used to house these people will not be available very long and some other resource is needed. We still need shelter to house the victims of fire and other emergencies and we need it not only for Atlantic City. We need this type of shelter for women and children who do not qualify as abused or battered, but are homeless. It should be very short term and its function should be to help people plan for a move to the next step.

It is clear that the Division of Mental Health and Hospitals will not be able to find ample sheltered care in Atlantic City and the mainland apartments now in use by community programs will be far too expensive when the current lease expires.

It seems unfair that formerly hospitalized residents of Atlantic County cannot return there because they can't find any shelter.

We are also concerned that the disabled and frail elderly, who are unable either physically or financially to manage in their own homes, are faced with nursing home placements because they have nowhere else to go, and also because we fear that the nursing home beds will not be available. There is a very serious problem facing us in terms of the loss of these beds in Atlantic County.

We would like to see a special system of shelter and housing which would enable people to maintain independence in a life-style as close to normal as possible. And, as population increases and gets older, the need for such services also increases.

Finally, the impact of casinos has highlighted the need for a system of emergency services to be available at night and on weekends and able to provide the basic help, such as emergency food and shelter, transportation and legal services. Local agencies have worked together to develop such a program known as ACCES, Atlantic County Coordinated Emergency Service System. Unfortunately, there has been no funding available to provide a solid financial base.

Casinos have also affected social service agencies' ability to provide services. First, social service agencies in the southern part of the

state cannot compete with the salaries being offered by the casinos and they are finding it very difficult to retain and recruit personnel. Second, the shortage of rental space will make it increasingly difficult for agencies to find accessible, affordable locations. Further, groups establishing new services, such as day care centers, are finding that they must acquire zoning variances even in areas designed for business. The apparent reason is that they are not specifically listed in the ordinance and this results in hours of unnecessary effort by new service providers.

As you can see, the impact of the casinos on the Human Services system expands beyond Atlantic City, beyond Atlantic County, and certainly beyond the span of social service agencies' control. There has been a far-reaching and complex set of events triggered by the arrival of casino gambling. I am sure the people in this area know about these problems far better than we do in Trenton; and, in fact, most of the information that I have comes from people who live in this area and who report to our agency about the problems that we do have and the increasing social problems that are on the horizon.

This legislation may not be perfect. In a Legislature, we amend legislation and correct it and improve it. I don't think we should throw out the theme of this regional approach because of some problems that there may be in the bill. It would establish a focal point for addressing these difficult issues which demands a set of solutions and the fact of having a hearing gives an opportunity to focus upon and really become aware of the many problems that are a throw-off and will continue to be a throw-off of the development of this kind of an industry in this area. Rather than attempting a piecemeal, fragmented approach to these problems, the Regional Commission would bring together the many units of government necessary to meet the new challenges of rapid development in the Atlantic region. Its regional base will help to insure that the problems emerging in Atlantic County are not simply transferred to neighboring counties, but are faced squarely before they are intensified and affect an even wider area.

Thank you very much.

ASSEMBLYMAN COSTELLO: Thank you, Commissioner. Because of the confines of time, we are trying to eliminate or minimize questions. We do have, at this time, one question by Assemblyman Girgenti.

ASSEMBLYMAN GIRGENTI: Commissioner, being a former legislator yourself, what is your reaction to a lot of the comments we have heard in terms of home rule and the fact that this bill is establishing a superagency where representation from this area will be limited? There will only be a maximum of five out of the eleven? What are your feelings on that?

COMM'R KLEIN: As I recall when I was in the Legislature and the Meadowlands Bill came up, there was very much the same kind of fear and concern because of the fact that it was an imposition on home rule, which has a very strong philosophical base in New Jersey. We have to look at what happened there as a result of that to understand the kinds of benefits that can derive from a coordinated regional approach to planning and development.

I think if we look at what happens when we don't have that kind of a regional approach, we understand that there can be enormous benefits in certain situations in going in that direction.

As I said before, legislators - and I would feel as a legislator that one of the most important functions we have is to review and amend legislation. If there are problems with the particular structure - and I don't like to speak

for whoever introduced the bill - it seems to me that when we introduce these things what is important is to refine them and make them so that they work, so that they benefit people and so that major problems may be corrected. I, myself, have no problem with having more local representation in such a plan. But I as speaking as an individual and not as a representative of the administration when I say that.

ASSEMBLYMAN GIRGENTI: Just one other comment, in your position, you are called upon to testify especially in the health care area in the discussion of the bill. The bill in Section 11 says the ARC would exercise approval authority over major land use and development decisions by other governing bodies and could review and withhold approval of the award of variances in the adoption of building ordinances and master plan amendments in Atlantic City. When you talk about home rule, this stepping over the boundaries into another's area, I think cuts right into it. It is things such as this that don't sit right when you evaluate this type of legislation. I know the Commissioner said that there is an opportunity to reevaluate that, that that was not Commissioner LeFante's original intention. Certainly, there are a lot of problems with the bill as it presently stands.

COMM'R KLEIN: I certainly appreciate your feeling on that. I think you just have to recognize that we have a very small limited strip of land out here called Atlantic City, which has suddenly become a gold rush, and that it is a piece of land and a municipality that cannot possibly provide the housing, the schools, the social services, the transportation and all the fallout of a huge development like that. That means, because of what has happened to the cost of land and everything, that this little municipality will get whatever financial benefits derive from having casinos here. But all the problems are going to spill off into the rest of the county - and the costs. And when they don't contain themselves in the county, they will spill over into Camden and the neighboring counties. We can solve that, I think, by having a plan which shares the benefits, the wealth and the tax revenues from these casinos and at the same time provides for a regional approach to handling the cost of this kind of thing. I think that is the basic thrust of this legislation. At least, whether this legislation is approved by the Assembly or not, it has opened up a very, very important question for review and for some solution. I really believe, if there is no solution, you have a disaster area here that will spread and we will have terrible problems for the rest of the State also.

ASSEMBLYMAN GIRGENTI: One last question, not to steal Assemblyman Edwards' thunder, but why can we not do it with the present structures that we have?

COMM'R KLEIN: I can only tell you that we are not doing it, Assemblyman. Maybe there is a way to do it, but we are not doing it. And I don't think that the 11 municipalities that border Hudson County would have developed the Meadowlands the way they did if they were left to home rule and didn't have a regional approach to their problem.

ASSEMBLYMAN EDWARDS: Commissioner, the Hackensack Meadowlands Development Commission was established on the basis of an intercounty problem where there was a unique kind and quality of property that needed to be cared for that transcended three counties really: Hudson, Bergen, primarily, and a little bit of Essex. Yet it has a very similar kind of charter that we are

talking about here. However, it has been an abject failure in dealing with low- and moderate-income housing. As a matter of fact, it has done none. It also has not dealt with developing the kind of interstructure you were talking about in terms of human services. However, in the Atlantic City area, we are dealing with one political jurisdiction and, generally, Atlantic County, who have existing political structures - the County Board of Freeholders, planning agencies, housing authorities, etc. The question I have been repeatedly asking is: Can we not amend this bill to give these kinds of powers, responsibilities and resources to the Board of Freeholders to deal with the same issues, without creating the super State agency where the outside sources are controlling rather than advising that particular setup, as opposed to the Meadowlands which had interjurisdictional disputes involved? County to county, there was no existing political jurisdiction that could deal with it.

MEMBER OF AUDIENCE: It was also a swamp.

COMM'R KLEIN: It was a swamp, but it has turned out to be the most valuable piece of property in New Jersey, except Atlantic City probably.

Assemblyman, I don't know the answer to that. Legislators make laws and I assume there are things we can do that would do that. I have no idea whether that would work or it wouldn't work, but it is certainly a direction. I think the important thing is that there should be a regional approach to this question. We just can't have all of the goodies in Atlantic City and have everybody else floundering to try to handle the problems that are resulting.

ASSEMBLYMAN EDWARDS: Secondly, specifically with your area of expertise, does your information indicate that there has been an exasperation in the speeding up of the process which you have described as a problem all through the State in nursing homes, in the availability of various care facilities, those kinds of problems that I have heard you address that do exist all over the State? Do your department's figures indicate that it is far worse here in Atlantic County?

COMM'R KLEIN: I think what we are seeing is that it is on the edge of happening. These places are located in areas that are zoned for commercial development of the highest luxury type and casinos. It is only a matter of time. Right now, they are experiencing very serious problems with maintaining services because of the competition for salaries. As was pointed out earlier, the hospitals and nursing homes and boarding homes, etc. really cannot compete with casinos under the rates that they have. And I don't think we can solve that problem by increasing the rates to pay casino-level salaries.

I can't say that we have had a lot of nursing homes close at this point, but they are going to. We have seen a big change in the housing situation. A lot of housing has become unavailable.

ASSEMBLYMAN EDWARDS: It is, therefore, your recommendation that we as a committee seriously look at this particular problem, vis-a-vis, your general responsibilities, and try to be sure that they are being addressed - would that be accurate? - and that this bill is a method of doing it?

COMM'R KLEIN: We feel that this bill provides a mechanism for addressing those problems as well as a variety of problems. Whether this committee would be the one that would specifically look at the problems of nursing homes or ---

ASSEMBLYMAN EDWARDS: No. I was thinking of the delivery of the responsibility to some agency to start looking at the overall sociological impact, including yours as a part of it, which is what the ACR Bill does.

ASSEMBLYMAN COSTELLO: Your question reflects a concern of mine. I am not going to ask any questions of the Commissioner, but I am going to suggest that your comments be submitted through this committee to the governing body of Atlantic City to learn if, in fact, their master plan shows any concern about dealing with the problems, especially those that Cary just pointed out, the nursing home beds, and what have you. This is one of my concerns and I would hope through that presentation, they would address themselves to that. Does the plan include it or does it not? Is that it, Cary?

ASSEMBLYMAN EDWARDS: Yes.

ASSEMBLYMAN COSTELLO: In the interest of time, may we have the three other representatives of the cabinet submit their presentations? We can take notes and then ask questions at the conclusion of the three presentations. Is that agreeable?

We will start with Mr. VanNess, Public Advocate.

S T A N L E Y C. V A N N E S S: Thank you, Assemblyman.

I am very pleased to be here and have this opportunity to both listen and, hopefully, make some minor input into your deliberations. I have a prepared statement. It will be filed and there is no need my reading it at this time. It does support this bill, 1950. But it is not a support of every dot, comma, quotation mark contained in the bill. It is support of the concept and that support arises out of some observations that we have made almost from the time that the casinos opened their doors; and, that was, that while we were very appropriately looking at the integrity of those operations, making sure that they were set up in an appropriate fashion, we were not paying the same amount of attention to the social impact which those facilities brought with them. And I assure you that those facilities have brought a substantial social impact to the citizens of Atlantic City and Atlantic County. I think it is not stretching it too much to say to the citizens of the State of New Jersey.

The first thing we found was that areas of this town that had housed low-income people were fast disgorging those people, to where, no one knew. We looked at the master plan. We were concerned that the master plan did not pay enough attention to the housing needs of the citizens of this community. In fact, if my recollection serves me correctly, there was more space devoted to bike paths in the master plan than there was to housing and relocation problems associated with the development of casinos.

We have seen that master plan, as imperfect as it was in our judgment, amended and variances granted almost before the ink was dry on the master plan, again moving in a direction that did not promise to provide housing opportunities for those residents of the city that were impacted by casinos.

I had heard it before, but I noted it particularly today when the Mayor pointed out that roughly 35 or 40 percent of the housing for low- and moderate-income citizens is subsidized in this city now. It is clear to me that Atlantic City, itself, cannot meet the housing needs that are going to result from the growth in this industry. Where will the people go? They will have to go to the surrounding municipalities. I think that unless there is some mechanism, whether it be the county planning board or whether it be a State agency - some mechanism that approaches these problems from a regional basis --- unless that exists, we are going to find that there is going to be enormous resistance in the surrounding

counties and surrounding municipalities to accepting this burden. With the casinos come blessings; there certainly comes burdens with them also. And they have to be shared. I think they have to be shared on a regional basis. I think this is the concept of this bill.

I was around when the Meadowlands Bill was being considered. In fact, I had some small part in the drafting of that legislation. I was then counsel to Governor Hughes. Many of the concerns being expressed here today were being expressed in spades in those days: this is an assault on home rule - there is no way we are going to stand for it. Again, it was the question of who was going to get the benefit and who was going to carry the burden.

The approach that was eventually adopted by the Legislature and the approach which I think has worked well was to share the benefits and, in a way, share the burdens. And to the extent that this bill does that, I support it. Again, it is not the only way that it can be done.

But in answer to the question which I am sure is going to come, Assemblyman Edwards, there is a problem when you look to, say, the Freeholder Board. That is not something that can't be overcome, but it is a problem that I think is a rather large one. That is this question of sharing burdens and benefits. These people stand for election. And if they are going to say that this particular municipality is going to accept the burden without a benefit, then I think they can look elsewhere for votes. Maybe that is as it should be. But it is not going to help the orderly development of this region nor is it going to meet the enormous needs that we are going to see in a couple of years.

Perhaps some of the features in this bill could be incorporated into an amended version of the Improvement Authority Bill, making it more palatable to the residents here. But I think we, at least, can't be too optimistic about that happening. We have to be very leery about people willingly taking on these burdens without getting benefits.

I would urge the committee to consider this bill seriously. If it can be improved by amendments, as I am sure it can, let those amendments be proposed. But do not let this concept of a regional approach be abandoned for some blind adherence to a concept of home rule. (Mr. Van Ness's written statement can be found in the appendix.)

ASSEMBLYMAN COSTELLO: Thank you, Mr. Van Ness.
Mr. Degnan, Attorney General.

J O H N J. D E G N A N: Thank you, Assemblyman.

I, too, have prepared statements, although Trenton has problems like Atlantic City and the electricity was out this morning, so I don't have copies. But I will submit them later. I am going to try and summarize my statement to you this morning.

I may spend more time as a State cabinet officer than any other single cabinet officer with respect to the development of casinos in Atlantic City. I may be an outsider to the city in terms of geographical residence, as Bill Gormley pointed out all the cabinet officials appearing here this morning are. But I think I have a fair appreciation for the kinds of problems, particularly, in law enforcement, and related to that, which this city is seeing.

Since the advent of casino gaming in New Jersey, I have been asked all over the country by other law enforcement officials: What reason is there

for them to have in their jurisdiction the kind of casino gaming legislation we have in New Jersey? I tell them there is really only one answer; and that is that gaming, properly used, can be a tool for the effective urban revitalization of an otherwise hopeless city. That was the motivating force behind the passage of the Casino Referendum in 1976 by the people in New Jersey and for the passage by the Legislature of the Act which regulates it.

The people of New Jersey passed that referendum and the Legislature passed that legislation to bring the city back to life. It was dying. No one disputes that. The casino industry, in its pleas and campaign to get that passed, promised that the influx of capital investment that would result from the presence of casinos here would have a ripple effect throughout the city and would benefit the people who lived in the city. As far as I am concerned as a person who voted in that election, the social experiment that is ongoing in Atlantic City of revitalization through the presence of casinos was and continues to be the quid pro quo for the tolerance of casino gaming in this city. If that social experiment is not successful, if the people of Atlantic City are not benefitted to the extent that we projected they would be, then we have made a mistake and the premise for the public's endorsement of casinos in New Jersey will have been undermined.

The present state of affairs in Atlantic City as far as I can see leads me to believe that our experiment, thus far, is not entirely succeeding. At least, the jury is still out. That is not to say that the casino industry hasn't flourished. We have only to look around at this point and see the product of the capital investment, the number of jobs it has created here. And I am delighted by that boom and I am a staunch advocate of its continuing, with one important caveat, that the influx of that capital to meet our commitment must translate into the delivery of quality services to the residents of Atlantic City, the rehabilitation of depressed and blighted areas in the city, a resurgence of employment of Atlantic City residents, and an end to the street crime that is running rampant throughout the city today. Sadly, this morning, I feel compelled to point out that those benefits to Atlantic City and its residents are not now being realized.

Thousands of jobs have been created; thousands of new people have come to Atlantic City. But the Governor's Task Force from whom you will hear this afternoon points out that the rate of unemployment in Atlantic City is still 14 percent, that the indigenous population in this city is not being served as well as it ought to be by the presence of casinos.

We have also been told that casinos bring a boom to the real estate market and to reinvestment in blighted areas of the city. But as I rode through this morning, I think that blighted areas have continued to deteriorate and only receive attention from land speculators who have no intention of building housing for needy Atlantic City residents or putting the land to other beneficial uses. The problem of land speculation and the status of re-evaluation in the city was graphically pointed out in a recent Philadelphia Inquirer article, dated November 7th, which I will append to a copy of this statement when I submit it to the committee. It depicts more graphically than I can the problems of this city. Housing needs are not being met.

As frustrated as are our expectations - and I speak now not as a cabinet officer, but as a voter in New Jersey - with respect to the social benefits of

casino gaming, in another area our expectations have been amply met - and that is crime: organized crime, street crime, violent crime, non-violent crime and juvenile crime. The first six months of 1980 compared with the first six months of 1979 showed an 83 percent increase in the Uniform Crime Report statistics. Last week, the State Police after a year and a half undercover investigation indicted 112 people. I have testified several times about the increased presence of organized crime in and about Atlantic City. And if the public tolerance of gaming in our State is based, as I believe it is, on a balance of the economic advantages of casino gaming, which are substantial, against its adverse crime and social impacts, then that balance in my judgment is shifting toward equilibrium at best.

How can we move more quickly toward our goals? Mayor Lazarow won't like some of the things I am going to suggest this morning. But Atlantic City is a city that is not equipped for the influx of capital and residents and visitors that it has experienced as a result of casinos - neither is the State, I admit to Assembly Gormley. Perhaps the failure of the city is in part attributable to its antiquated structure of government. The people of this city chose a commission form of government in 1911.

Today, only 263 cities in our entire nation with a population of more than 5,000 continue to have that form of government. I think any of us who work in government in New Jersey know what the problems of that particular form are. The kind of impotence that it generates is totally at odds to the need for strong government in light of the problems facing the city.

A product of that form of government is this city's sadly demoralized police force, beset by internecine quarrels and political power struggles. Its best officers find their efforts impeded by its inability to cope with the enormous new demands thrust upon it by the casino industry. It is a source of continuing concern to the County Prosecutor and, to me, as well. If it is in any way a reflection of other city agencies with which I am less familiar, the problem is serious indeed.

The consequence is that the promises made to Atlantic City residents are not being kept. Thus, the issue now before you, as a committee, appearing in the form of this bill, is how to refocus government energies at the State and local level, so that the State of New Jersey is assuring the delivery of the quid pro quo for which we decided to tolerate gaming - and that is the revitalization of this city in a way that helps its residents. I think the concept represented by this legislation is at least a first step toward that.

I won't burden you by describing the particular manner in which I think that it will assist. Others have done that and I would be glad to answer questions if it is necessary. My statement contains some specific comments.

Let me add an additional point. You, as legislators, know better than I the process of reform after ABSCAM that the Legislature tortuously went through this spring. This bill represents an outgrowth of the deliberations which went into that process. The Casino Control Commission was meant primarily to be a quasi judicative body to decide licensing questions, above all. In the context of doing that, the Commission calls before it the Division of Gaming Enforcement in my department, which presents whatever derogatory information we have about an applicant, on the one hand, and the applicant, on the other. They engage in open

hearings before the public and they decide on the basis of the proofs presented there.

But on the whole gamut of social concerns that we thrust upon the Casino Control Commission, its vast power to condition a licensure upon steps to be taken by a casino which would achieve the revitalization of this city, there is no such process now that currently exists. Too often the fence in which the decision-making process about the social impacts of gaming are decided by the Casino Control Commission contain within it only the Commission's staff and the applicant, himself. Citizens' groups are not represented, although the Public Advocate makes appearances now and then. He doesn't have sufficient resources to be there on a full-time basis. No outside force influences those decisions.

That is exactly what the Atlantic Regional Commission would do. It would decide in terms of the revitalization of this city what conditions ought to be exacted of the casinos. It would take those decisions to the Casino Control Commission and in an open and public way, with the applicant given an opportunity to respond, it would create the kind of decision-making process which is open and, therefore, less susceptible to improper influences than otherwise exist.

This bill is not the total answer, as I think Stanley as aptly said, but it does represent a kind of initiative which ought to be imposed, if necessary, but hopefully persuaded upon all of those who would be participants, because the State alone cannot accomplish the objective of casino gaming, despite the high stakes it has in its success. Only with the support of the people in the local municipality who, I believe, want to see the kinds of benefits that we promised would flow from casino gaming, will we ultimately achieve that objective.

I apologize for taking so much time, but I thank the Committee for its deference.

(Written statement submitted by Attorney General Degnan can be found in the appendix.)

ASSEMBLYMAN COSTELLO: Those were very interesting comments. You will submit a copy of your statement? I noticed you digressed quite a bit unless you committed all of it to memory?

MR. DEGNAN: I didn't.

ASSEMBLYMAN COSTELLO: Again, we will not entertain questions until after the final speaker.

Dr. Bonice from the Department of Health.

D R. M A T T H E W B O N I C E: Chairman Costello, I received this assignment late afternoon yesterday occasioned by an illness in Commissioner Finley's family. Her statement is four pages in length. It would be most gracious of this committee if they would allow me to read it.

I will do so in the first person.

"As Commissioner of the State Department of Health, I want to express my strong support for A 1950, a bill designed 'to facilitate meeting. . . regional development needs induced by the advent and growth of casino gaming in Atlantic City.' It is apparent to me that the rapid and unprecedented change generated by casino gambling and its total impact on Atlantic City and environs is of such dimensions that a mechanism such as this bill proposes, the Atlantic Regional Commission, is required to avoid the severe adverse conditions that are developing and continue to develop not only in health related areas but other areas such as housing, water supply and sewage, that will impact in strongly negative fashion

on the total health status of the people in this area.

"Those of us who voted for the referendum which permitted the development of the casino industry in Atlantic City did so believing we could harness the tremendous potential of casino gambling as a force for worthwhile urban redevelopment and the economic salvation of a once booming resort. But now we have learned that we must have in place a structure that can provide an areawide capability to plan, to implement, to coordinate and to streamline the process for getting things done. We can no longer vacillate and permit the kind of piecemeal approaches that are now underway as sincere, hard pressed local municipalities struggle individually with the kind of extraordinary problems that do seem beyond their capabilities with which to cope.

"As Commissioner of Health, I have a responsibility for insuring that the health needs of this region are met, that there is adequate provision of services that residents and visitors require, and that conditions prevail that are conducive to the maintenance of good health, at reasonable cost.

"I have to report that I am deeply worried. At a time when we should be involved in an orderly growth process carried out in such a way as to provide this region with the expanded health services it will require, we are in fact experiencing tremendous stress that prohibits the health care system from functioning even in the limited way to which it was accustomed prior to the advent of casino gambling. The attraction of much higher paid employment in casinos leaves the staffs of health care institutions, such as the Atlantic City Medical Center and nursing and boarding homes, decimated. The constant displacement of people in Atlantic City as land is gobbled up by casinos and related industries -- and these people are disproportionately the elderly, the poor and the disabled -- and the resultant trauma, further expands the need for health and social services. 353 nursing home beds have been authorized for construction in Atlantic County since 1973 and only 94 have been built. The nursing home industry clearly cannot compete for land, labor and supplies in a region burgeoning in other more lucrative directions. In fact, there exists no organized program to look after the health of the elderly as continued pressure mounts to sell out nursing homes, despite our regulations.

"In spite of the huge influx of visitors, the large numbers of people flowing into the region to build and staff the casinos and related industries, and the very frenetic nature of casino activity itself, no real plans for health emergencies exist. We wonder if the existence of two separate health departments, one in Atlantic City and one in Atlantic County, don't make it impossible to deal effectively with VD, the rising rate of that disease, and other contagious outbreaks that stem from the growth of prostitution.

"There is evidence that drug trafficking has expanded. An organized effort that is closely integrated for the whole region is required to stem this tide and to provide expanded crisis intervention, treatment and rehabilitation services. We need to cut down criminal activity and narcotics pushing in order to keep Atlantic City an attractive place to visit. That was the original goal and we must return to it!

"Compulsive gambling is inevitably spawned by a casino industry; we see it cropping up in Atlantic City. We need plans in place to deal with this manifestation, to be ready with the appropriate crisis intervention services and rehabilitation

programs. We will need the clout of an Atlantic Regional Commission to assure that casinos assume their responsibility and generate the resources to develop needed services.

"Inflation, skyrocketing interest and mortgage rates, and the limited dollars available for Medicaid expenditures, further complicate the demands on a woefully inadequate health care delivery system, through separation of function and revenue production.

"It is abundantly clear to me that we risk further acceleration of an already high incidence in Atlantic City of infant mortality, accidental deaths and cancer mortality, unless we create an effective mechanism for dealing with the extensive upheaval and change that has already taken place and is continuing. It would take an extensive, coordinated, skillful effort, an almost Herculean task, to make the region livable, manageable and productive.

"Some form of regional health agency is clearly indicated. This can be formed under existing law if there is some necessary stimulus for its formation. The regional revenue raising authority of the proposed Atlantic Regional Commission would be the needed catalyst for its formation. The fragmentation, duplication and inadequacies of effective health agency services could be dealt with on a centralized systematic basis. There would be in this agency a much better capability for dealing with the complex health problems of the region.

(Following is the last paragraph of Commissioner Finley's statement, which was not read.)

"I urge you to move favorably and expeditiously on this legislation, so that the work can go forward. I would like to see us use this opportunity to shape new models of service that others can look toward and emulate in the future, and that can help this region and all of its people to prosper."

Thank you.

ASSEMBLYMAN COSTELLO: Thank you, Doctor.

Assemblyman Girgenti.

ASSEMBLYMAN GIRGENTI: I am looking for some answers; any one of the three can answer.

Number one, on page 4, Section i, it talks about the minutes of the commission, that they shall be prepared and delivered to the Governor; further, "No action taken at a meeting by the commission shall have force or effect until 10 days, exclusive of Saturdays, Sundays and public holidays. . . If, in the 10-day period, the Governor returns the copy of the minutes with a veto of any action taken by the commission at the meeting, the action shall be null and void and of no force and effect." Is this a common practice? Is this what the Port Authority and other authorities are presently doing? Maybe the Attorney General can answer that?

MR. DEGNAN: Yes, it is a common practice, Assemblyman, with the Port Authority, all the highway authorities. I think the Expressway Authority Act was recently amended to include that.

ASSEMBLYMAN GIRGENTI: I just wanted to double check on that.

MR. DEGNAN: I think the incidence of the Governor enacting in that power is so slight as to simply make it an oversight function.

ASSEMBLYMAN GIRGENTI: My other question has to do with the makeup of the Commission. We have talked about the gubernatorial appointments, the cabinet officers that are included in it, the number from the Atlantic City area being five. What is your feeling on that? Do you approve the way the present bill is written

in that regard; or are you flexible?

MR. DEGNAN: I don't think there necessarily ought to be a division between the local and the State representatives. As far as I am concerned - although I couldn't commit the Governor to it - it wouldn't matter to me if it were tilted the other way, as long as good people were serving on it.

ASSEMBLYMAN GERGENTI: That is a problem. Here you have the Mayor and the County Executive. They are really the only two who are representative of Atlantic County.

I have a couple other questions. Section 11 that I talked about earlier, maybe either you or Mr. Van Ness can respond to that.

MR. VAN NESS: This, I believe, is the potential for overriding a variance.

ASSEMBLYMAN GERGENTI: Right. It is a real stickler.

MR. VAN NESS: It may be indeed a stickler. As I pointed out in my brief remarks, there is a problem, I think, in terms of the integrity of a master plan when the forces in the local district or municipality go to work. There are irresistible forces. They will say, look this fellow's piece of property is being zoned in such a fashion that he can't make the most amount of money out of it as he could a piece of property down the street, which is being treated in a different fashion. I think, as an observer of local government, you know the pressures that arise for variances in zoning ordinances. I think there is an awful lot at stake here. While it might not be necessary to give a regional authority the power to override, I think they should be involved in some fashion to make sure that there is a considered judgment evoked in these requests.

MR. DEGNAN: I might point out, if I could, that the Chairman of the Casino Control Commission has taken the position that that commission will not approve a casino license if it is at variance with the master plan, based on his concerns at the manner in which such applications are being viewed by those local agencies.

One final point - this city is unlike any other in the State of New Jersey. It is a boom town at the moment. There is juggernaut momentum to the development of casinos here. I don't say this because I have any doubts about the integrity of people, certainly; but everybody in Atlantic City has direct interest, virtually, in the applications that are pending before it. So, I think this provision is critical and it is already being done by another State agency anyway.

ASSEMBLYMAN EDWARDS: Mr. Degnan, you don't have to answer this right now, but I would ask you if you might take a look at Section 9 (d), dealing with the commission's right to veto any state or federal appropriation for State projects. I would question the constitutionality of that. It is more of a legal question and is one I wouldn't expect you to respond to now, but I would like to get some kind of response from you, maybe in writing, with reference to that.

There are a few more important concerns that I do have. I don't know whether we have the time today to deal with the minute details of the bill. I think we will do that in our normal committee structure. We have, first, I think to determine the philosophy and the essence and the direction that this legislation may take, should take, or might take. The first of those is whether or not we need to take any action at all. I must say that Mr. Van Ness' and Mr. Degnan's testimony have been the most persuasive to me with reference to the magnitude of

the problem that we do need to be looking at and addressing. My question is: How do we go about doing that? We have seemed to be, in State government, falling back on the establishment of independent boards, commissions, and authorities, taking the decision-making out of the electoral officials' process. I understand what Mr. Van Ness is saying about vested interests. I have been a municipal attorney for ten years. I have been dealing with those vested interests. I have found a great deal of pressure. I am not talking about a profit or monetary investment; I am talking about the last one in - close the door - that kind of theory and feeling that exists and is a political pressure that must be dealt with, which is why I was glad to see the Public Advocate's Office formed. I am wondering if rather than going in the direction of the establishment of authorities and powers that are completely outside of the elected political jurisdiction, we shouldn't be dealing more with funding Mr. Van Ness's office and being sure that we are delivering to State and county governments direct responsibilities for solving these problems and holding them accountable - and our court systems for not acting on those - through the three branches of government that we do have, and providing the tools necessary, rather than moving outside the electoral process to deal with it.

MR. VAN NESS: I appreciate your thoughts about the funding, particularly. I may remind you during the appropriations process.

ASSEMBLYMAN EDWARDS: I know.

MR. VAN NESS: As a municipal attorney, I am sure you are aware of the limitations of litigation. The time that is spent to enforce a right --- you mentioned the Morris County suit, which has not made me very many friends in a lot of places. We have been at that about two years and it looks like it is going to be at least another year before we even get to trial on the matter. It seems to me it is more prudent to plan in advance, to get some sort of consensus in advance as to the direction that a region ought to go, rather than to rely on an agency like mine or one something like mine, after the fact when the mistake, if that is the proper terminology, has been made, when a municipality makes clear by its zoning ordinances that it is not going to accept any fair share of this housing need, which is going to be enormous here. But, for me or someone following me, to drag them off to court and try to force them to comply is just not going to be timely enough in my judgment.

ASSEMBLYMAN EDWARDS: I wasn't so much thinking of that - and I realize you can't run around bringing every public official to court every time they make a mistake - but I wonder if we have the proper accountability for responsibility. I am wondering if it would be necessary to approach many of these subject matters in a different direction, knowing that we have a Public Advocate's office and an Attorney General's office at work dealing with this. This goes to crime. This goes to law enforcement. I am wondering if we in the Legislature should not really be placing more responsibility on these elected officials. I have been time and again mentioning the county having the political jurisdiction, the economic capacity and the resource capacity to deal with the issues that we are talking about here. The question is: will they or won't they?

If we directly place the responsibility on them, knowing that they are being monitored, shall I say, not necessarily just by the public who have their own lives to lead and don't have the expertise to do it, I wonder if that

shouldn't be the role of State government in this thing and not be leaping off into authorities as directly as we do?

MR. DEGNAN: I think your comments are very perceptive. I too distrust the extent to which we have begun to rely on autonomous agencies and the lack of accountability that ensues from that from elected officials. But I doubt, Assemblyman, that you would argue that the Hackensack Meadowlands Development Commission wasn't a legitimate response to a dramatic need in that area. I would suggest that while a general philosophical agreement could be reached on the question of authorities, in particular areas there is no other way to deal with the magnitude of the problem. And there is no greater problem, in my judgment, in New Jersey than that which exists in this city and county. No diligence on my part or that of a successor or of Stanley's office, I think I can say and I think he will agree, could insure that the kind of flexible administrative oversight that is set up in this agency could be performed by my investigatory capacity or by his litigative capacity. It just wouldn't achieve the same objectives.

ASSEMBLYMAN COSTELLO: May I interrupt at this point? We have gone through the lunch period; there will be no lunch. I am told we have to be out of here by 3:00. There are still a lot of individuals here to testify who want to have some input in this hearing.

I would hope that Chairman Pellicchia would honor a request I am going to make that before the committee takes any action on this bill, if any member has any questions to ask Dr. Finley or any of the rest of you, that you come back again and respond to those questions.

Chuck Worthington is next and he is dying to go to lunch.

MR. WORTHINGTON: I have to go back to work.

ASSEMBLYMAN COSTELLO: Gentlemen, I thank you very much. I suspect that you will be hearing from us again.

ASSEMBLYMAN GIRGENTI: I just want to thank Commissioner Van Ness and the Attorney General. They have been very informative and a help to us.

ASSEMBLYMAN COSTELLO: Chuck Worthington.

C H A R L E S W O R T H I N G T O N: Thank you, Assemblyman. Before I start my testimony, and perhaps, Assemblyman Edwards, you will be interested to know that I am speaking as an individual and I have heard an awful lot of references here to the regional approach that was taken in the Hackensack Meadowlands, and how successful it is, and I think he pointed out rightly so that in terms of stimulating economic growth and development, it has been successful. In terms of taking care of the social problems that exist not only in Atlantic County and Atlantic City, but statewide it has been a dismal failure. I would also like to point out that I do not object to a regional approach. I do not object to a strong central state government policy or Committee that we could deal with on a one-to-one basis with strong local representation, but that isn't the case here. In the Hackensack Meadowlands, they don't have a CAFRA and they don't have a Pinelands Plan and a Pinelands Commission. They don't have a Casino Control Commission. They don't face the kinds of budgetary restrictions that are placed upon us by the State Legislature, irrespective of the fact that we have all this development, we are still mandated not to increase our spending levels by more than 5%.

I don't mean to belabor the point, but you are all familiar with the kinds of restraints that we are struggling under. How in the world can you introduce new programs that need to be introduced, that are beneficial to the people, and that we are willing to fund when all of our budgetary increases are pushed in to maintaining programs that are mandated by the State and is our responsibility to perform. We are not objecting to that. However, the more things that you have to take care of with the shrinking amount of discretionary monies, how in the world can you fund these new programs that are necessary? I haven't heard any of these people who came up from the State talking about the inability of local institutions--- Even Ann Klein is talking about being afraid that nursing home beds are going to be closing down, not that they have. This is 1980. The Legislation was passed in '76. They are still operating and still functioning. What we need is an opportunity to put more funds into some of these programs, like state funds, and an opportunity to put in more local funds, and I have heard so many misrepresentations and inaccuracies.

The Attorney General in his learned statement talks about an unemployment rate of 14%. It is untrue. The Federal statistics that are compiled and are in our latest growth trend monitoring report that the county puts out shows that the unemployment was in fact now below the State average, below the national average and it is below 7%. And, he is quoting 14% unemployment. I don't know where these things come from.

You know, the central theme seems to be here that we feel there does exist a tremendous inability to coordinate programatically. One of the worst offenders in the inability to coordinate programs is the State agencies. I defy anyone to tell me there is a State policy for development. It doesn't exist. We have twenty or thirty different agencies pulling, not together. There is no attempt on the part of the State to coordinate policy between agencies. That is the biggest hang-up that we have in curing some of our problems, in curing some of our problems, is the inability of the State to get together in a coordinate fashion and say this is our policy, and let's work with it. We have 23 or 52 different State policies, each being articulated by a different State agency without any attempt at all to coordinate. We don't object to

the regional approach. We think it is necessary. We think the region out to be the regions, because we think the agencies ought to be established agencies. If we need help, if we need direction, or if we need some assistance from the State, or if the State wants to participate, we welcome them as a partner. But, we don't accede to their desire to take over.

My purpose here today is to comment on the proposed Assembly Bill 1950 which would establish the Atlantic Regional Commission, an agency which would have extensive loaning and planning authorities over Atlantic County and parts of Cape May and Ocean Counties. I would like to start by pointing out that presently virtually all of Atlantic County falls within the powers of the State regulatory agencies to say that I understand the ultimate intent of the proposed legislation mainly to insure that the development and the benefits resulting from casino gaming are fairly allocated among all municipalities and income groups in the region. It would further insure that the social service needs of the disadvantaged or the housing, affirmative action, health care, and other services be addressed as part of an overall area development process and that all of this be consistent with the environmental goals.

As the County Executive of Atlantic County, I have enumerated the county development policies which espouse identical goals. I did this over two years ago. This policy statement was well received by local officials throughout our county. Thus, at the level of policy, we share the underlying intent of the legislation, and I believe that the majority of the local officials in our county feel likewise. However, the implementation procedures delineated in the legislation are far too restrictive. They place too much power at the State level, and fail to provide adequately for a local participation in the entire process. To be frank, to propose legislation conveys quite clearly the attitude that local governments are not to be trusted when it comes to important matters like self-determination. I resent and object to the implications that the actions and inactions of local government have in the past imperiled development in this region, and that this pattern will continue unless the State assumes control and we are rescued. We make it clear that we welcome State's encouragement, assistance, and technical expertise in dealing with the impact of casino gaming in our area. What we don't need is more State harassment. There are presently no less than 20 different agencies in State government whose decisions affect the growth and development of this area. We would love to deal with one coordinated agency. The bill sites the problem of fragmentation, the lack of coordination with respect to our local government. Ironically, there is no central forum, formal or informal, for these agencies of the State to discuss to meet to coordinate State policy activity. So we have the Department of Environmental Protection using a low population forecast that denies us in Atlantic County priority sewage monies and the Department of Community Affairs this morning again used a high forecast to slow down the pace of casino development, when millions and millions of dollars ride on these projections. And it is no laughing matter that this State's position is fragmented. Coordination is a must. On numerous occasions I have urged that the State take the lead in subpoenaing a policy coordinating committee made up of representatives of the county and local government, key state agencies and the Governor's Task Force to meet regularly to set up agendas and to set up progress on key issues facing us. What about the Governor's Cabinet Committee

created with such a fervor more than a year ago. What effectiveness have they demonstrated in coordinating these State agencies. In a letter dated October 29, 1979, I wrote to Mr. Lordi, Chairman of the Governor's Cabinet Committee on Atlantic City. In this letter, we not only expressed our general concern but proposed policies and actions, twelve specific proposals in the area of housing and transportation. We also urged the creation of the previously referenced Coordinating Committee, and all but begged for an audience with that Committee, which we did finally receive. A year later we still have not received an answer to our presentation or an answer to our letter. It is a year later, and the Cabinet Committee has done little it has set out to do. It made even less impact, and if it ever bothered to issue a report which they were called upon to do at the formation of that Committee, then that report must be the best kept secret in the State of New Jersey, and this from a body which charges that our local planning and development efforts are disjointed, riddled with rivalries and ineffective. Of course, we don't object to coordination, but what we would need--- Why would we need a further Committee to coordinate what should already be coordinated by the State or perhaps our so-called super-agencies will supersede all that came before it? Oh, no, that doesn't seem to be the intent. But does this super-agency replace the Pinelands Commission? No. Does the agency take the place of the Casino Control Commission? No. Does it replace CAFRA, DEP or any others - no way. It is just another regulatory agency, another layer of insulations, or it simply provides one additional step for the public and private sectors to come out.

We understand the need for regional review of major local planning decisions without regional impact. Instead of giving arch mandatory approval rights over actions over Atlantic City and county and planning zoning boards, and over any changes in the county and city master plans, why not give the county the capacity to augment its own plan. We have demonstrated our capabilities and the State has in fact recognized the central role of the county in guiding regional growth by creating the transportation authority and expanding the powers of the improvement authority. Instead of continuing with the fragmentation that now exists with many State agencies, each devoted to its own philosophy and pursuing its own objective, attempting to force the region to conform to its expectations, why not, instead of a proliferation of these requested tactics, consider amendments to such existing statutes as those establishing the Casino Control Commission, the Transportation Authority, the Improvement Authority, as well as expanding local and county land use legislation. It is within the capabilities of these existing agencies to accomplish what they have set out to do. The State should be looking for mechanisms to help local governing communities to do better.

Many of the goals contained in this proposed act are frankly laudable, and we commend some of the people who drafted parts of this legislation for their technical insight, but we object to the mandatory nature of the bill. Let's sit down in an advisory capacity as I have implored the State to do so often in the past. We have no objection to the creation of an advisory agency with a requisite staff and funding, and I pledge to commit this county's resources to such an effort, and I would hope that the State would pledge likewise.

We applaud many of your ideas and would like to see more State participation and involvement here. We would welcome any initiative to expand sewage facilities

in the western sector of our county. We would welcome assistance in coordinating casino investment in regional housing. We would appreciate State support and guidance in securing funds to allow our transportation authority to implement our long overdue transit improvement program in this area.

In short, we urge the State to provide the technical expertise that would make our own operation more efficient. With respect to specific points in our proposed legislation, I would certainly agree that there exists a need to review the casino impact on our region's social service needs with an eye toward coordinating investment strategies. For the record, we have made that recommendation on numerous occasions in a variety of testimony before the Casino Control Commission. But, it has never been followed up.

We are also in accordance with you on the need to prepare a regional capital investment plan identifying public facility and social service needs in the region. Again, for the record, the county has already done this, and we think that the State should also do so, but we believe that it is within the capacity of existing agencies to accomplish this under strong gubernatorial direction. We also believe that it is the State's responsibility to do this throughout the State, not just here in Atlantic County. There are many intriguing ideas contained in this piece of legislation which we must definitely deem worthy of further discussion. That sharing process is one of them, and we would be happy to work in concert with the State in studying projected tax burdens, and if such a study shows that major inequities may exist, we would of course be open to discussing judicious restructuring. We would also support the concept of providing financial incentives to those municipalities which make an effort to provide a balance of affordable housing.

Indeed the County Improvement Authority through recent legislation is already moving in that direction, which demonstrates what I said earlier, and will continue to repeat it until someone listens, and it is within the capacity of already existing agencies to implement those techniques and policies as defined in this proposed act. Ladies and gentlemen, New Jersey has fallen into bad habits with an insatiable appetite for regulations, over-legislation and delegation of authority - the Pinelands Plan, the Shoreline Protection Master Plan, CAFRA, the Wetlands Act, the proposal to take over existing police facilities. The litany goes on. How ironic that each successive piece of legislation talks more and more of the need to coordinate, yet none of these proposals contain the very coordination that they plan to implement. The transfer of local autonomy powers to the State seems to be the common threat.

I think if there is a lesson to be learned from the local session vote, it is that over-regulation breeds contempt. I would urge you not to release this bill in its current form. (Applause)

ASSEMBLYMAN COSTELLO: I sat here through your presentation, sir, and I kind of suspect if it were given right after Commissioner Le Fante's presentation, we would not be here this long.

You have already indicated a desire to cooperate. We don't know these things, and when you say, your bill, you mean Assembly Bill 1950.

MR. WORTHINGTON: I thank you for the correction. I wouldn't want to be identified with it, either.

ASSEMBLYMAN COSTELLO: There are problems, and I think that your

presentation is worthy of questions and answers, and for those out here who are scheduled to speak out here, Mr. Worthington, I kind of suspect that the result will be some questions and answers in order to relieve some of your concerns.

Mr. Edwards.

ASSEMBLYMAN EDWARDS: Yes, I was going to reiterate your comment. We are here to try to find out what is the problem exactly, and whether this is a solution or not. It is a bill being presented by a group of legislators, not necessarily this group here. I note also that a great number of your complaints are directed at the administrative branch of government, as it presently exists and their inability to coordinate it. I would also note that as a Legislator who is not from this area, but probably as far away as you can get from Atlantic County---

MR. WORTHINGTON: But well loved.

ASSEMBLYMAN EDWARDS: I think we in the Legislature have tried very hard to recognize any problems that Atlantic City has. We have created a number of pieces of legislation, I think, that were tailored specifically to deal with the problems in Atlantic County, as a county, not just Atlantic City, and I know every time I turn around either Bill Gormley or Mike Matthews or Steve Perskie is knocking on my door and saying, "We have another bill we need you to look at." And, I think rightfully so, because your problems are unique.

I am very interested in hearing some positive responses from you in particular, but not necessarily today, with reference to some of the questions I know you have been asked before, what is the capacity of the county organization? What are the alternatives that we have? If the issue is a real one, it would include or almost demand the coordination of State regulatory activities. This bill tends to pull some of that together---

MR. WORTHINGTON: It says it does it, but it does not. That is the key to everything.

ASSEMBLYMAN EDWARDS: So the problem seems to be that you are living with it, and I am wondering what positive solutions you might suggest in the form of legislation dealing with the frustrations which you feel that might in fact have an impact beyond just Atlantic County because you are not the only county dealing with some of those frustrations. Rather than just the negative things about this bill, which we are here to hear today, we wanted to hear what you had to say in that regard. What can we do to maybe help coordinate these activities which may in fact relieve some of the problems that are being addressed. I would implore you to see if you could make some positive suggestions to this Committee with reference to a substitute for this bill, and other legislation that might directly deal with this, since we are now dealing with the subject matter ---

MR. WORTHINGTON: I tried to do that by suggesting the advisory. I think we need to talk to one another. We need to have some way to focus State policy, so that the State speaks with one policy voice rather than many as they do now. There is absolutely nothing in State government that tries to get the State agencies to work together, so that when you speak to the State, you speak to the State, instead of speaking to the State through fourteen different channels.

ASSEMBLYMAN EDWARDS: Do you feel that the county government structure has the capacity with some legislation and with some of the power, and/or resources that are projected in this bill to solve the problem?

MR. WORTHINGTON: I think absolutely. I think the focus of the regional approach should be the county government. I think that should be the focus. Let me just suggest one thing that the Attorney General talked about in terms of the veto power. Now, you know---

ASSEMBLYMAN EDWARDS: I wish we had the veto power over what he does.

MR. WORTHINGTON: Fine, but the Attorney General does not say at all that the Governor's veto power extends to administrative agencies. It doesn't extend to policy-making, decision-making agencies. You know, it is absolutely--- I am not going to say it, because I should watch my language.

ASSEMBLYMAN COSTELLO: John. Please try not to be repetitive.

ASSEMBLYMAN GIRGENTI: The fact of the matter is, as you obviously know, we are the Municipal Government Committee, and this bill is before us. We are here because we are obligated to hear what the problem is. That is why, in fairness to Ozzie, he had the hearing down here so that the people down here could have their say.

You will find that all the Legislators in the northern part of the State are not insensitive to the needs in the southern part of the State. We agreed in the Pinelands area, where we thought there was a problem, we reversed something, and hopefully it will go on to the Senate now and who knows---

MR. WORTHINGTON: I understand that, gentlemen. We are absolutely gratified, and we thank you for that. But, what I would also hope that you saw in the presentations by the cabinet officers, their reluctance that each one of them expressed. Frankly, they were marshalled here, because it is their job to come down. This is an administration bill, and I understand that. But, Ann Klein was reluctant. She didn't say that our local agencies are failing. There is not sufficient funds. There is not sufficient funds to fund her entire program. It is true that there are not sufficient funds down here either. It is not that we don't want to make more funds available, but we can't either, because---

ASSEMBLYMAN GIRGENTI: Well, Chuck, the main point I think is there is this trend whereby appointed commissions are starting to take over the role of the elected officials, which I think is dangerous. That is why people are elected, because they are close to individuals they represent, and when you get an appointed board, the appointed people are responsible to the person who appointed them, not the people who would be in an elected situation. I think that is a disturbing trend. I don't think there is a monopoly of intelligence in any one location that they can dictate mandates to come down here.

MR. WORTHINGTON: Thank you all for giving me the opportunity to make this presentation on behalf of the citizens.

ASSEMBLYMAN COSTELLO: Kenneth C. Le Fevre.

K E N N E T H C. L E F E V R E: I will make my comments brief. I have cut back on what I initially had to say because of Charles Worthington's comments. I think he said it very well. I don't think there is much more that I could add to change anything that has already been said, but I ask for your permission after I make a few comments, to give the remainder of my time

to the Chairman of the Atlantic County Improvement Authority who did arrive here and who is here right now and would like to make a few comments, in light of the fact that the Improvement Authority is now and will be involved in the meetings on this.

ASSEMBLYMAN COSTELLO: Who is the Chairman?

MR. LE FEVRE: The Chairman's name is Murray Raphel. So, I will be very brief, if I can release some of my time to him.

ASSEMBLYMAN COSTELLO: Sure.

MR. LE FEVRE: Just to follow up on what Chuck Worthington had to say, I believe that this proposal would represent probably the most direct assault that we have seen to date on the principle of elected local government and the separation of responsibilities among the local and county and state officials. This proposal is a direct insult and challenge to the rights of everyone who calls Atlantic County home. There is no question but that Atlantic County will need regional planning and reasonable restraints to prevent haphazard development, because we do not want the same unplanned straw that is so much in evidence in the northern part of the State, but Atlantic County Government has made much progress and has demonstrated its capacity to serve its senior citizens directly.

Recent amendments to the County Improvement Authority Law and the creation of Atlantic County Transportation Authority will provide additional capabilities to meet our housing demands and provide necessary transportation improvements. But, no, the State feels that is not enough. By establishing the Atlantic Regional Commission decisions on how we are going to reach our housing and transportation goals will be controlled by an unelected bureaucracy insulated from the political process. We have also seen recently that when you give the State a power, you are going to stretch that power as far as they can go. The Atlantic Regional Commission is an overreaction to a legitimate series of problems. It is commendable that the State have an interest in the housing and social problems of Atlantic County, but this is just the wrong way to go about solving these problems. In other words, the disease may be less harmful than the cure.

I will conclude by saying that the Atlantic Regional Commission is an unwelcome intruder. I would like, at this point, to ask you to hear the Chairman of the Atlantic County Transportation Improvement Authority.

ASSEMBLYMAN COSTELLO: Very good. Thank you very much. May we have the Chairman introduce himself?

M U R R A Y R A P H E L: Thank you, Mr. Chairman, members of the Committee. My name is Murray Raphel. I am Chairman of the Atlantic County Improvement Authority. For the past few months --- I have cut my notes down to two pages, Mr. Chairman, because I know you have some time constraints, and I don't want to be redundant or repetitive as to what has been said here before. I appreciate the opportunity to put a few remarks on the record.

In the past few months the State Legislature and the Governor have seen the many problems thrust upon Atlantic City and Atlantic County and they have enacted some steps to help. They created a Transportation Authority to handle the problems of transportation in the county, and they expanded the powers of the Improvement Authority to create the much needed housing. Now,

just as both authorities were about to suit their actions to your legislative words, we are faced with a new bill creating a superagency, the Atlantic Regional Commission, and that not only threatens our existence, but it burdens us. It also eliminates our need. Can it be that that which was so needed a few months ago is so outdated today without even having been tried? It would seem logical to have the officials of the State govern the State and have the officials of the county govern the county. If the Legislature consider that in the official county government in the State or more logically to have the Federal Government tell the State how they should run their operation.

But, proposed legislation like this is easy to understand why the citizens in southern New Jersey recently voted to secede from the rest of the State. Let's look for just a second at the horrible alternatives if this bill should come to pass. There will be years of legal battles as we fight the question of home rule and State encroachment and taxation without representation and government without election, and many other problems and questions lawyers will be sure to find to clog the calendars of the courts for years to come. What happens while the legal battles continue? Well, the purpose for which this law is written will no longer exist. New investment will stop; growth will cease and city and county will be in never, never land for investors who will leave for some other towns, and some other place where the rules and regulations are not only more easily understood but also more encouraging for investment.

This legislation calls for casino dollars committed to "real property improvements." I would suggest that the real property improvements needed in this City and in this County right now today immediately are in the field of transportation and housing. You already have the vehicles to do this in two county authorities, one with the Transportation Authority and one with new powers, the Improvement Authority. Both have the abilities, but the legislative mandates proceed. If you want to expand their powers through some of this legislation, you can consider that. From the comments you just made to Chuck Worthington, I assure you that the Improvement Authority will be back to you to ask you for some help, but to create a new group when you have the means to do that work available right now does not seem the logical course of action. Also, these members to the authorities are appointed and then approved by officials elected by the people of Atlantic County. What this country or county or city does not need right now is still another regulatory agency. Let us please avoid more duplication of effort; let us please eliminate another layer of government; let us please above all avoid legislation that gives power to others to control our destiny and our future and over whom we have no power to vote them out of office if we disapprove of their actions. This would seem to be a clear violation of our constitutional rights. More than 200 years ago we fought against having decisions made for us and not by us, and now we are faced with a similar situation. Now we are asked again to accept leadership bestowed upon us, not leadership we have chosen, asked for, or elected but rather that which is appointed by the Governor. Under a constitutional government, those who govern are accountable to the governed, but how can there be accountability when those who rule are outside our area to choose, select, criticize, or more importantly remove. The people's choice becomes the governor's choice and with it the complete abandonment of the fabric of home rule, social security damages in the past few years by ever-increasing encroachment of state and

federal legislation. In summary, the resources you need for doing the task outlined in this legislation I propose to you and put to you are already here. The government of Atlantic County has the people and the expertise to assist in the proposed plan in the bill for developing a regional strategy for housing, employment, transportation and other services.

The Transportation Authority has begun to put their primary package together along with their short and long term goals and objective. The improvement authority which has an enviable record of accomplishment and building structures of public structures for public use throughout this county has now begun a rapid expansion of our staff to implement new major housing proposals. I ask you to use the talent, the ability, the resources, the people in Atlantic County. You have already given us the tools. Allow us to build our future. Thank you.

ASSEMBLYMAN COSTELLO: Thank you, sir. Barbara Lampen.

B A R B A R A L A M P E N: I will help you pick up a few more minutes. I will be very brief. Assemblymen, members of the Assembly Municipal Government Committee, I am Barbara Lampen. I am a professional planner with the Casino Control Commission. I am here today on behalf of the Casino Control Commission. I can assure you that Chairman Lordi would be here today if he were not home ill.

The Commissioner did not have sufficient time, since we were first notified of this hearing, to thoroughly study and discuss in detail or the detail and content of this proposed legislation today. The Commission wishes to advise the Municipal Government Committee, however, that it considers the matters dealt with in this bill to be of very high importance.

While the Commission cannot comment on the specifics of this proposed legislation, it does support the coordinated approach to guiding and encouraging regional growth. The Commission must point out, however, that the proposed legislative amendment to 143-B of the Casino Control Act, that section providing for the amendment of the Casino Control Act defines the Atlantic Regional Commission from the Casino Control Fund could exert a very negative impact on the profitability of the casino industry.

The Casino Control Fund as it is constituted now in section 143-B is supported entirely by the casino industry. In 1980, despite supporting a cumulative commission and the Division of Gaming Enforcement budget in excess of \$28 million, the casino industry also faced a deficit for those fiscal years up to and including 1980 of \$8.004 million. The deficit that faces the industry for 1981 will be approximately \$10 million with the potential of increasing from \$13 million to \$15 million. I think it is important to relate these figures to the effect on operating revenues for the casinos in question. These fees would be license fees, not including the cost of investigations, which can run as much as \$2.5 million in the case of Resorts. So, these fees, the license fees and the assessment for the casino control fund deficit for the year 1980 will exert the following impact on after tax net income:

Resorts International will experience a 5% reduction of after tax net income for fees assessment;

Bally of New Jersey more importantly will experience a 25% reduction of after tax net income;

Boardwalk Regency a 12% reduction;

Brighton, which just recently opened, as of September 30th, it is running at a loss. So, its deficit will be even greater when it is faced with these assessments.

Industry is at a critical capital formation stage. Without a healthy industry there would be no growth in Atlantic City and Atlantic Region, and thus no need to have an Atlantic Regional Commission. Although recent legislation has created a Housing Authority or in effect a housing authority, a County Transportation Authority, the investiture of additional powers through the appropriate governmental agencies or the assignment of overriding powers to an existing or a newly created governmental agency may be necessary. But the Casino Control Commission has not yet had sufficient time to study that question and formulate its policy and position on that matter.

The Commission does, however, request that in analyzing the proposed bill, the legislature examine the wide array of presently existing legislation to insure that a streamlined approach to program development and regulation is pursued.

I can touch, if you want, on the several sections of the Casino Control Act that are additionally amended or somewhat infringed upon by this legislation. I think I touched upon the most important point that the Commission wanted to make known, the effect of funding this proposed Commission on the industry, on the gaming industry, because as it is written now that entire entity or that entire Commission would be funded out of the Casino Control fund along with the Casino Control Commission, its operation, and the Division of Gaming Enforcement in its operation.

ASSEMBLYMAN COSTELLO: Thank you very much.

ASSEMBLYMAN EDWARDS: You said you had some additional information on statutes. I would hope you will be submitting those to us in writing for the Committee's consideration.

MS. LAMPEN: Yes.

ASSEMBLYMAN EDWARDS: Let me get this absolutely straight. You were quoting some figures on projected reductions in net income after taxes. Is that based on the existing deficits, or the existing assessments without adding in the additional impact of the amendment?

MS. LAMPEN: No, there is no consideration whatsoever. It is very difficult for us to come to some understanding of what that potential deficit would be. We have looked at appropriations for similar types of commissions, but it is difficult for us to discern what exactly the additional revenue generation would be. But if you look at the powers that are granted to this Commission, I have to assume that they would be somewhat large.

ASSEMBLYMAN EDWARDS: The Casino Control Commission is vested with the responsibilities of planning, zoning itself and to deal with a number of the things dealt with in this particular bill. I don't have a feel for how involved the Commission actually is in meeting the responsibilities of the original Casino Control Act which may be impacted by this, and what position the commissioners have with reference to that, especially in the housing area, planning and zoning and the infrastructure and displacement issues that come about. Well, if you can answer this now, fine, but if it is too lengthy, I would appreciate your submitting it in writing.

MS. LAMPEN: It is a little on the lengthy side to really get into the details and the specifics of this. Some of those authorities, as I said, I touched on the one area of the Casino Control Act if amended that is of great concern, and that is to allow for the funding of this Commission from the Casino Revenue Fund. There are some areas where there will be duplication of powers, it would seem. There are some areas where the Casino Control Act as it is written now is only public perception, and it is gray in many areas as to just what the responsibility of the Commission is beyond control of the casino industry and control, to a greater or lesser degree, of the impacts that the industry exerts. We are talking about not only the primary impacts that relate directly to the industry, but secondary spin-off impacts. They are the more difficult ones to perceive and deal with and define.

ASSEMBLYMAN EDWARDS: It was my clear understanding that the Commission was to deal with not only the primary but the secondary impact and the reference to the word impact-the intent of the Legislature-there was very broad. It has also been my perception and I don't claim to think that this perception is accurate. I really don't mean this as a criticism of the Commission, because it has had its problems. But, it has done it has dealt with all issues. It has been addressing the housing needs of the area to the extent that we are faced with - at least not from the testimony here today from Commissioner Le Fante, and various other agencies - and it gave birth to A-1950 and perhaps if they had been, we would not have expanded the Improvement Authority jurisdiction, and various others.

What I am getting at is, I don't know if the Casino Control Commission should be in that business. I tend to think they should not. It is kind of like taking a duck out of water. I think maybe they should not be merely advisory in this. I was wondering whether you or the Commission could not or in the future have any responses to that, and they can let the Committee know that also.

MS. LAMPEN: If I can in two areas point out some of the things there is reference to the investigative hearings that the Commission has conducted in the area of impacts, and there are licensing conditions and permit conditions that are attached to all of the entities presently operating in Atlantic City to participate in housing. Again, that was under the direct control of the industry. I am looking at larger impact problems, but those issues can be addressed.

ASSEMBLYMAN GIRGENTI: Barbara, could you give me those percentages again?

MS. LAMPEN: Okay, this would be an impact on after tax net income. I am not sure if these are tax adjusted figures. I can't discern that immediately. The impact on the license fees and the assessments for the control funds deficit has exerted a 5% reduction on the after tax net income of Resorts International. It has exerted a 25% reduction on the after tax net income of Bally of New Jersey, and it has exerted a 12% reduction on the after tax net income of Boardwalk Regency Corporation. And, like I said, Brighton is now faced with these assessments.

MEMBER OF AUDIENCE: Does it mean that the casinos are losing it or what does it exactly mean?

ASSEMBLYMAN COSTELLO: Ma'am, if you don't understand it, I would rather not get involved in it at this time. Barbara, would you mind sitting with this

lady and explaining to her what this means, rather than do it on the record.

MS. LAMPEN: Surely.

ASSEMBLYMAN COSTELLO: Thank you very much, Barbara. I will indicate that you are present, Mr. Kravitz, Barry Iaconelli. If you would, please come up and take seats so you are prepared to speak.

Also, Anthony Vecchioli, United Citizens of Atlantic City. Is Cora Boggs here? (No response) John A. Rogge? (No response)

MEMBER OF AUDIENCE: Mr. Rogge had an appointment. He asked me to submit this prepared statement for him.

ASSEMBLYMAN COSTELLO: Okay, thank you very much, sir.

A N T H O N Y V E C C H I O L I: My name is Anthony Vecchioli, representing the United Citizens of Atlantic City, a coalition of 12 local civic groups. Gentlemen, we appreciate whatever assistance the State has provided the city with, but we believe to some extent that their intentions are good, and in many instances, they are beneficiary.

Given the fact that there is another level of bureaucracy in the making, and that bureaucracy is in the form of a new agency, it will hinder any future developments of the city. It will take developers a longer period of time to get things accomplished than it does now. If Atlantic City residents are complaining that much hasn't been good about housing and transportation, part of that reason is attributed to the fact that there is too much bureaucracy that a developer has to go through to get a type of approval. In order to build, a developer has to go to the city first. Then there is the zoning board, the planning board, CAFRA and a number of other bureaucratic agencies. Now another such agency is being proposed.

This time the agency is called a superagency. It is another step further in the bureaucratic merry-go-round system. I don't see how some other new agency is going to pick up the pace of housing. What we won't do instead is discourage developers from building. It will stymie development thereby shifting the burden to the Atlantic City taxpayers in the form of higher taxes. We believe it is a discouraging factor, and if you continue to over-regulate these agencies, developers are going to stop investing in Atlantic City and go elsewhere. The city appreciates whatever assistance the State has provided us with. We appreciate the time the State has spent in Atlantic City and the aid it has provided us with. I am sure the residents appreciate it. However, at this time, we don't feel any new agency is a move in the right direction.

We consider this another regulatory agency not intended for the best interest of the city. We consider it another step to a long drawn-out bureaucratic process in which the American people are fed up with. The sentiment of the people in this country at this time is to unite in a conservative fashion; to be less dependent on government and more dependent on a local level. We call it old fashioned home rule. This is a strong tendency in that direction throughout the country, and not as well as a growing number of disenchanted Americans are glad to be part of such a movement. Perhaps now Americans can start calling America, America again, and not by any other alien name. Thank you. (Applause)

ASSEMBLYMAN COSTELLO: Mr. Vecchioli, again, I think I can speak for everyone here. We share your sentiments on home rule, believe me. If you will, somehow, can you list all the organizations that you represent. Not that we doubt your word, we just want them for the record.

MR. VECCHIOLI: In writing?

ASSEMBLYMAN COSTELLO: Yes, and give it to the young lady. Sir, you are next. Will you give us your full name, and the organization you represent.

J O S E P H P O L I L L O: My name is Joseph Polillo. I was going to reserve my comments until there was a quorum. I guess three is okay. I am just a citizen resident of Atlantic City. I am in opposition to the Atlantic Regional Authority. I don't believe there is any need for such an agency that would exercise control over Atlantic County or Atlantic City, especially Atlantic City.

I believe that is really the true underlining conspiratorial intent of this act. Atlantic County has an elected government and so does Atlantic City, and these governments have Departments charged with the responsibility of zoning, planning, et cetera. That State also has enough control over land management. As has been stated by others, they would be controlled by CAFRA, DEP, coming of the pinelands. What we don't need is another bureaucratic, duplicating, money-eating overload of appointed individuals to exercise more control over our elected officials than ourselves.

As one of the many individuals who helped spearhead the secession drive, and voted yes to secede, I strongly believe that the long arm of the State interferes too much in our local communities, especially in Atlantic City. As a believer in the policy of home rule, I am opposed to this sort of legislation. The State and its agents in taking over the alcoholic beverage control revenues of Atlantic City and reducing the luxury tax from Atlantic City and conspiring to form the Atlantic County Transportation Authority have in effect taken from Atlantic City most, if not all, of the revenues that this city needs in order to operate properly. And, now this legislation wants to take control over revenues from all the cities of Atlantic County and use it for their own use. It may sound trite to some individuals in this country, but not to myself, that this legislation is really an appointed board that is surely taxation without representation, especially if, as proposed, only one person would be from Atlantic City on that Board.

Most of the monies will come from Atlantic City and in yesterday's jargon, that is just a rip-off. There is no doubt about it. It is well known to those of us who live in Atlantic City and those of us from South Jersey that the State is an irresponsible giant. In terms of taxation to the State, and the monies returned to South Jersey, South Jersey does not get its fair share in return for these tax dollars, and that is well-documented in newspaper articles and other literature. It is my view that the State is insensitive to the needs of South Jersey, and is only bent on exploiting the South for its North Jersey purposes. The State is also, in my view, a political power-hungry animal, and this is shown in the lack of South Jersey representatives on state boards, and commissions, particularly the first casino control commission; and after the scandal, the second casino control commission.

I find it rather ironic that the individuals who sat here and testified as members of the Governor's cabinet today, being in favor of this legislation, are the very same State agents and operatives who in turn would be appointed to the regional board. That is a greedy concept and certainly a conflict of interest if anyone ever saw one. I might add that the Environmental Protection Agency, the Department of Transportation, Community Affairs and Human Services already have the opportunity to do their jobs. And, this legislation says it will be

their responsibility on this board to do this job. Through the county, and as you well know, the counties are agencies of the State, what they are in effect saying and have said here today is that they have not done their jobs properly. They have not done their jobs at all. That is exactly what I am saying. That is exactly what Chuck Worthington said.

They are charged with being responsible in the post they hold today, and they have not done their jobs and are trying to make it appear as though Atlantic County and Atlantic City are not addressing these problems when as stated it is their responsibility at this very time. It is stated in this legislation that this regional commission would be required to develop a regional strategy to provide housing, employment, transportation and health care and other services throughout the county. After all these years in office they haven't done this yet?

That is malfeasance in office, as far as I am concerned. It is certainly irresponsible and definitely duplicating. Now, this commission will have veto power, or the Governor will have veto power over zoning and planning board decisions and actions and also have the use of eminent domain. This legislation goes too far overboard in its attempt to control Atlantic City. This legislation wants to come into our homes, and we will have no say. They will take our money, rearrange our furniture, take away our land, and only one person from Atlantic City would be on the board. That is certainly unfair and unreasonable.

I believe in local home rule control, especially in zoning and planning. Atlantic City has a master plan, which I helped rewrite in favor of the residents and I believe that the State, knowing that the residents will oppose some of their conspiracies wish to get the issues away from the Atlantic City activists whom they know they cannot control and who will not sell out to be part of the crowd. As far as the use of eminent domain, try it, and there will definitely be a rebellion from the residents of Atlantic City. I will help lead it, because I am not afraid of the State of New Jersey.

I might add that with the Governor's term over in approximately a year that he is a lame duck and the rug should be pulled out from beneath him --- To state and to continue New Jersey as the most taxing and most repressive State in the United States of America --- (Applause)

This is exemplified by the fact that the New Jersey State Constitution does not have in it a forum or provision permitting the residents to have initiative and referendum and recall, which I believe are basic, fundamental American rights in the principles of democracy and fair government. As far as I am concerned, this State is arrogant.

I would like to comment on a few of the comments put forth by the cabinet members this morning which I heard and I couldn't help but laugh to see how far they were going to stretch conjecture and hypothesis. All of a sudden, the State is so concerned with our area--- My question is, where were they in the past? I would like to point out that the Cabinet members who spoke here today don't live here, and I specifically resent the fact that the Attorney General of the State of New Jersey would interfere in the internal politics of the City of Atlantic City to suggest that the government's forum here should be changed. He doesn't live here. He should continue to investigate mob activity.

On housing, the woman who was here talking about housing, Ann Klein. I don't sympathize with liberals. I don't suck thumbs and I don't believe in giving everything away. But, if they are so concerned about more subsidized

housing in Atlantic City which has 37% subsidized housing units, I think the State should get off its back and enforce the Mount Laurel decision. They are hemhawing, half-stepping and trying to tap away from that so quick that they should know that Atlantic City has enough subsidized housing. It is second to Washington D. C. As far as the Transportation Director who is going to be on this Board, a Long Port, Somers Point Boulevard, Black Horse Pike, Route 40, you could name every road that the State has some concern with in this county, and they are doing nothing, and they have not done anything in my lifetime, and all they do is take the revenues north and none of them come back.

As far as Human Services, and as far as Ann Klein is concerned, I didn't hear her register any complaint today that the Atlantic City Medical Center is shutting down fifty to sixty beds. And, the other doctor was here talking about health. He didn't mention that the Atlantic City Medical Center just built a whole new expansion hospital out in Stockton. What kind of barf is this? It was nothing but a joke to have people who are sent down here to do that. If they are so concerned, why don't they take over the cost of welfare from the county? If they are so concerned, why don't they investigate welfare fraud?

A gentleman yelled out while she was talking, the meadowlands was a swamp. All they built was a football field and a basketball court. So, they can't joke on us with that. They say they can't do anything. They have not done anything. There is a State Relocation Act. She talked about displacement. She doesn't know the laws in this State regarding that. There is a State Relocation Act called Title G. If anyone is displaced by a government act, he is entitled to relocation funds, be it rent, buy a new home, anything that can be afforded. They are entitled to that.

The Governor signs the bill and the house and senate pass a bill, and the residents of the State vote on a bill, and it is passed. That is a government act. So, every single individual being displaced in Atlantic City should be relocated under the New Jersey Relocation Act. They don't designate anything. They don't do anything. They are just like bumps on a log. She even had the nerve and the gall to say that she supported casino gambling and didn't see that these problems would arrive. Well, being in public office and not having foresight is definitely a detriment to these cabinet members. If she is so concerned about the people who are being displaced, especially the seniors in the nursing homes, the lottery money was for institutions and agencies--- Maybe not, but there was a bond issue that was for institutions and agencies that built facilities. They better get to building the facilities. She said, "Don't throw out the theme of regionalism under this 1950 Act, just because there are some problems in the bill." There are no problems in the bill; it is the whole, entire bill. I think you should throw the bill out and I think you should also throw the Governor out. (Applause)

ASSEMBLYMAN COSTELLO: Okay, you are about ready to close, Mr. Polillo?

MR. POLILLO: One second. The Health guy said he wanted to get sewer pipelines in the city. We just put in Atlantic County a whole regional pipeline, but we paid through the nose for it about three different times. That is all I wanted to say. I appreciate the opportunity, and your having the meeting in Atlantic City.

ASSEMBLYMAN COSTELLO: Thank you, Mr. Polillo. May we hear from Ms. Boggs?

C O R A B O G G S: My name is Cora Boggs. I represent the Atlantic City Action Coalition, and as a citizen of this city, I am very much concerned about what is happening here. I believe that this bill has reached us in our most vulnerable state. It is a fact that there is much dissension in the city. It is a fact that the casinos have been a mixed blessing in the city. But, I think that this bill would just about usurp all the powers of our elected and our appointed officials. Now, God knows as one of those persons who is charged to move housing in this city and has run up against roadblocks of indecision, on the surface, reading this bill, I would say hurray, somebody is going to come and bring us some housing for middle income and low income people; somebody is concerned about social services; somebody is concerned about the elderly. But, reading it through, I think it is purely a usurpation of power all the way down the line.

I have some problems with the context. Without reiterating all the things that have been said before - because Mr. Worthington spoke about many of the things that I would have spoken about - just having one person from Atlantic City guaranteed a spot on that Commission --- I think most of the revenues are the problems here in Atlantic City. I think that is unfair. I also question, not being a lawyer or tax person, when you say that the revenues should be divided among the municipalities. Now, I will have to ask, are they going to be divided between the municipalities? Because no one knows the problems that we as residents of the city have suffered. And, everybody sits back and thinks that we are all getting wealthy--- There are many of us not connected with the casinos, and have nothing to do with them, want nothing to do with them, and yet we have the headaches and the problems. We have added utility prices; we have sewage, anything you can name. What I am trying to say is that casinos have had a negative effect on many people in this community. But, they are a matter of fact. I think we have to live with them and find out how it is best going to serve people as well as big developers.

So far, speaking as a community person, all I can see that has become a benefit is big developers and lawyers connected with them, but nothing really for the people of this city. I think it is time that--- You are from the State, and I know you didn't propose the bill, but I am saying the people from the State, rather than regulating us so much, come down and give some assistance to these people who are presently in office, and presently serving on these boards. Because, it is quite evident that they need assistance. But, I don't think they need the State to come down and take over. I don't have to question that. I am sure that other areas in the State have problems, many problems. Now, do you form a big committee to come down and take over their cities? I don't think so.

I would have to question why this is being formed, and the only thing I can deduce is, money and power. If we didn't have the possibility for money here, would they be interested? I don't think you would. (Applause)

So, I am saying we need help from the cities. But, all of this, I believe, you are going to do as a regulatory body and as people with power to take away all home rule from this area. I think if you are so concerned about the welfare of the people here you can form the same kind of committee in an advisory capacity and give us the assistance we need. I know you are under time constraints; I am not going to say any more. Thank you for your time. (Applause)

ASSEMBLYMAN COSTELLO: Thank you. We have one other gentleman. We have one hour. We have two mayors, a deputy mayor. Is Mr. E. Belvin Williams here? (No response)

J E N N I N G S L O V E: My name is Jennings Love, and I represent the collective construction trade association. I am here representing Black minorities, women, Hispanics as far as the trades are concerned. Right now as you gentlemen are sitting here, you are not aware that I have been in front of the Casino Control Commission three times. We feel that the Casino Control Commission is giving the Black community and the minority community hogwash. I have in my possession regulations relating to equal employment opportunities. This is like a bible to the Casino Control Commission as enforcement. Within these documents, it states clearly that the casinos should not be built, developers cannot purchase anything without a firm resolution putting a minority in the positions and also giving them opportunities.

They are breaking the law. We are saying that from the Justice Department, Governor's office, to the Casino Control Commission they are breaking the law, and right now at this time I want to bring up some issues involving skilled trade unions, Casino Control Commission, agencies of enforcement, communications. We are sent and charging that the trade unions are discriminating, which we are saying implicitly, segregation, separation, racism, definitely being implemented systematically by union leaders and contractors against us, our children and those that come after them.

I have a lot of material here which I don't want to go into to waste a lot of time; however, I am in the act of lobbying right now. We call this union politics. So far there are five casinos. Four are operating and another getting ready to operate, and two getting ready to open up. And right now they do not have a percent of minorities on those jobs. They refuse to train us. They refuse to let us in these unions. And, we are demanding - we are demanding - that legislators in New Jersey---

ASSEMBLYMAN PELLECCCHIA: Can I interrupt? I would just like to remind you that while in sympathy with a lot of things you are saying, I come from the labor movement myself. However, what you are telling us now is really not prevalent to the bill. What we are here to do today is really study the bill itself. I would appreciate it if you would stick to the fact of the bill.

MR. LOVE: Well, I am sorry. But, as I said before, I am in the act of lobbying and doing it as much as I can. The Black community feels that we are not getting our just due, and we demand enforcement of the law being enacted against unions that deny our rights as citizens in this city and American citizens. I thank you.

ASSEMBLYMAN PELLECCCHIA: You understand this Committee would not be a place to make those kinds of statements. However, I sympathize with your problems, and I want you to know that I am also---

MR. LOVE: I just wanted you to hear about them, Assemblyman. Thank you very much.

ASSEMBLYMAN PELLECCCHIA: Thank you. Pinky Kravitz.

P I N K Y K R A V I T Z: My name is Pinky Kravitz. Assemblyman Pelleccchia, and members of the Assembly Committee, we thank you very much for coming to Atlantic City. It is good to see that the Assembly will come to the seat of a bill that affects it.

A very interesting point is, I sat here this morning and listened to a couple of hours of testimony from Mr. Le Fante and Mr. Patero and the Mayor of Atlantic City. As I sat and watched the parade of cabinet level officials

come into the room, the question that ran through my mind was, why all these top level people coming, all the big guns? And, as I looked to you gentlemen of the Assembly question, I seem to feel the sympathetic determination coming from you gentlemen against this bill because of one very simple fact that you seem to be concerned with. It could happen to you. What the State of New Jersey is trying to do for Atlantic County could happen to your respective counties. If any of you gentlemen represented the County of Atlantic, how would you feel about this bill? I think it is a question you have to ask yourself, because what they are talking about, we all hear as the same home rule. On November 4th the people of the United States voted very strongly about getting Big Brother off the backs of local government, of you being given more of an opportunity to make determinations.

The State of New Jersey happens to have the Governor with the strongest powers of any Governor in the United States. And, Governor Byrne seems to like to use these powers when it comes to Atlantic City and Atlantic County. It is interesting to note that the Governor, when the Casino Act was passed, took his whole cabinet and said that they are going to be a committee of a whole to look out for the best interests of Atlantic City. I have yet to hear a decision that that committee as a whole has made toward Atlantic City and it seems to me he formed it for the purpose that is being addressed by this bill. And yet we hear nothing. It was very interesting to hear Mr. Le Fante today point out that you gentlemen who are elected representatives and must answer to your constituency in another year are not responsible according to him, because according to him you don't want elected representatives. When Mr. Edwards asked him, "Can't we do this through the existing government," Mr. Le Fante said, "You can't use those people, because after all their constituents will have a determination on how they vote." Isn't that the democratic form of government? Shouldn't they be responsible to someone besides the Governor? The Governor will be the one in this bill that says yes or no, really.

Mr. Le Fante has to answer to one person. Who determined that this high level group of people were here today? It was because the word came out from the Governor's office, "Be there in Atlantic City. We want you to show your support for this bill." Most of them didn't even know all the facts that are in that bill. Most of them came at the request specifically of the Governor. If you are sitting as a representative of Atlantic County, I think you can see this. But, when they tell you that elected representatives would be doing the will of the constituents, I think the burden of the elective process we have--- Who are these appointed people that they are not going to be responsible to the people of Atlantic City and Atlantic County that they will have the power to step in and rule over the zoning board. If they don't like what the zoning is, then they are going to have the opportunity to do so. They are going to be able to say to my in-laws who live in an area where they tried eminent domain, "Get out." They are going to be able to walk in and say to them, "Eminent domain will take this property because we want to put low cost housing here." One-third of all the units of housing today in Atlantic City are low and moderate income housing, one-third. And, the plans are for many more to be built as the Mayor told you today.

I just sat in wonderment as I listened today to what is happening to our government. What are they trying to do to us? This city does need help. There is no question about it. The leadership needs help. We have been very

slow, and the reason we are slow is because there is no cohesiveness. There has been no true leadership that has come out from the State or the city to be able to attack all the problems that beset us. But this, gentlemen, is not the answer. It is not the answer to take and put it into an appointed board that really doesn't know what is happening here. They don't live here. They don't have a feel for what is going on here. They don't know the people of this area, what we have suffered over the years, the good and the bad, and now the good has come again. The good is here for the majority of the people. Several people have been hurt, but this bill will hurt them more rather than help them.

Mr. Edwards said, "Beef up the local government; give them the assistance." That is the answer. That is really the answer. Mr. Girgenti wonders about what happens to the local people. What happens to home rule. Why is the State going to come in and take it away? It is a point very well taken. I guess the best way I could summarize it is very simply, if you were Atlantic County legislators, you would be dead-set against this bill, because you have a taste. I am just concerned that once we get an ARC, as they termed it, a regional commission, there may be an MRC; it may be an ERC; they may put it up in Essex County; they may put it in Camden County. I don't think you gentlemen are going to allow this kind of thing to happen. I sense that at least in listening to your questions when you questioned incisively - and I was really pleased to see that - it is good to know that you come in here with an open mind and a concern for what is happening and what the State is trying to do.

Another question that comes to mind, they talk about the funding. This is not going to be from the taxpayers. Where is the money coming from? There is no bill at the present time to take the money to fund this ARC. They are saying the casinos. Do you know the casinos are being asked to fund everything except the desalination of the ocean? And it is a sad thing that everyone in the State can see something come up, and a new group comes up--- "Let the casinos pay for it." Look at their bottom line right now when they are only four. Look at the percentage they are making. You see high figures on the gross, but look at the bottom line figure, and I think you will find it very small. Are they going to be burdened with another thing? And then when somebody else comes up with something else, are they going to be burdened with that, too?

Where is this all going to stop? We have trouble right now, gentlemen, with a funding of many of these casinos coming into Atlantic City. We would have had another one or two on the way right now. I also question figures. I question when they say there will be 300,000 more people living in Atlantic County when we reach ten or twelve casinos. Where? We are up to seven casinos now, practically. Where are these 300,000 going to live when they don't allow us to build? The Garden State Parkway is the end of the line. If the Pinelands Commission goes through, we can't build past that. Where are 300,000 people going to live here? Does it make sense to you? I mean, they throw numbers out. They can always dazzle you with footwork. I as an individual am a localite, and I feel representative of some constituency through my radio show, I feel that we have to rely upon you people because you are our direct representatives. People in the State of New Jersey voted for you. They didn't vote for the Cabinet members.

Those cabinet members were picked and dicatated to by the Governor and again that is why they were here today. It is very interesting to note that the Governor again appointed a commission to say where the money from the Casino Revenue

Fund is going? Over \$100 million is sitting. Where is all that money going to go? There has been no dictate as to where the money will go. We know about the senior citizens getting a piece from the utilities. But there is supposed to be a devised way so that the Governor and a group don't say, "Let's bill Medicare with that."

I don't mean to run off, but I am just trying to point out how this thing has been dictated by the Governor which is why you are having the hearings. I hope that you take the first question I asked, "Would you want this if you were in Atlantic County?" And, it could happen to you. If you open the door, the door is open for any county to have a State Regional Commission come in and dictate every facet of their lifestyle. Thank you very much. (Applause)

ASSEMBLYMAN PELLECCCHIA: Thank you. You and I have met before and you know that I am from the northern part of the State. And you and probably a few others in the room might also know the role I played with the casinos. So, you know that while I represent the county of Passaic, I represent the State in its entirety and I do have a very strong compassion for Atlantic City because I feel that I was one of the fathers of the casinos, and maybe for good or bad, I was there helping Atlantic City then.

Rest assured that this Committee will do everything it has to do.

MR. KRAVITZ: Well, we were very pleased to note that you were coming down as Chairman of the Committee. But, I also would like--- When I hear the input and the kind of questioning that has been done by all of you gentlemen, it just makes me realize that you are looking at this incisively and are concerned about the constituency that is here, because it is the same as yours back in your own backyard. Thank you.

ASSEMBLYMAN PELLECCCHIA: I will be listening to you tonight. Thank you.

Mr. J. Edward Kline, please?

J. E D W A R D K L I N E: I am J. Edward Kline, Mayor, City of Brigantine.

I am only going to say a few words. I don't have any notes in front of me. I am speaking from my heart. I would like to go on record that the City of Brigantine is opposed to this bill. I think I would only be repeating the previous speakers.

Please take note that every elected official that has spoken here today has spoken against this bill.

I would also like to say, please, remember the superagency is going to be an over-reaction. We are trying to control the casinos. I believe the State has one eye on them right now. I think CAFRA is doing a fine job in the control of what is going on now. We don't need another agency.

I don't think we should scare away the rest of the casino developers that are coming to town. I don't want to see them standing back and saying, "What, another agency," and then Philadelphia or New York gets casinos. This is New Jersey. We all worked very hard to get casino gambling. Let's not scare it away. We have right now the proper agencies in Trenton, DEP, CAFRA, and the others, to keep a close eye on what is going on and control the development. We do have the problem of overdevelopment, with everybody coming in at one time. But let's not scare away the rest of them. And thank you for your time. (Applause.)

ASSEMBLYMAN PELLECCCHIA: Any questions? (No questions.)

J O S E P H C O U R T E R: My name is Joseph Courter. I am the mayor of Port Republic City.

I would like to thank the committee for the opportunity to come here to speak to you. I represent one of the smallest municipalities in Atlantic County, 834 people as of the last census. But those 834 people are fiercely independent people. We were here 200 years ago and were badly burned by the British. However, our community survived. Our people are still there. I don't want to be badly burned again.

We are local representatives. We represent our people. We have county representatives that are quite adequate to handle more regional matters. We have been offered help in the past. We have been offered CAFRA, Pinelands, the Dunes the Shorefront Protection Act, the Wild and Scenic Rivers Act, and we have recently gotten into school decentralization. And I have been reading recently in the paper about the police takeover of local responsibilities. I don't see any end to it. I think somewhere along the way you have to draw the line and this is the point where we have to draw it. It is not often that a small community comes out to testify either here or in Trenton. But I just want to make our stand clear that our community is against this type of legislation.

We believe in local control. As a local elected official, I can tell you that one of our biggest problems is dealing with mandates, either from the state or the federal government. It is not handling our local problems. We can do that fine. But we get into problems when we have to adjust to a mandate from either the state or the federal government.

The one idea I want you to take back with you from us is that our community - and I am sure ours is not the only small community that feels this way - doesn't need this new agency. We are perfectly happy with the agencies that we

now have. Thank you. (Applause.)

ASSEMBLYMAN PELLECCCHIA: Thank you. Assemblyman Edwards has a question.

ASSEMBLYMAN EDWARDS: Either one or both of you might want to answer this. The bill, as it is presently written, has some provisions for the redistribution of tax revenues, based on increased school enrollment and various other formulas. How do you react as a local municipality that would be a potential recipient of that as an entity in the bill and/or separately from the bill; and is it needed or is it not needed?

MAYOR COURTER: Free money is always very tempting. But, as far as I am concerned, it always comes with strings attached. The attitude of our community in building our own recreational facilities, or whatever else we build in our town, is that we prefer to do it with our own tax moneys. If the tax ratables in the county and in Atlantic City increase sufficiently, hopefully, our county ratables will go down and we will have more local tax dollars to spend locally. I think that is where they belong.

So, I respectfully on behalf of my city decline any offer of additional funds, either from this committee or from the casinos. Thank you very much. (Applause.)

ASSEMBLYMAN EDWARDS: I would like to get the other gentleman's reaction if I could, Mr. Chairman, because I think the key issue is going to be the problem dealing with the increased amount of services and the lack of ratables necessary to pay for those services in the kind of growth we are talking about, not just low and moderate income, but the other areas. A single-family, residential dwelling in all the studies I have ever seen has always proved to be a tax loss, which means there has to be some other balanced kind of ratable, commercial or industrial, that comes with it. If there is not the corresponding commercial-industrial development in the municipalities other than Atlantic City, then I am worried how the tax bite and how the tax crunch are going to affect them and the individual citizens and whether or not we need to address the issue of a redistribution of that commercial and industrial tax ratable.

MAYOR KLINE: The only thing I would like to say is that the City of Brigantine can live without the funds from the superagency. The only relief we need is a little bit of help in the cap law. We can live with what we have ---

ASSEMBLYMAN EDWARDS: That is what I am looking for.

MAYOR KLINE: I also would like to say I think the cap law should stay. I am not saying, do away with it; but we need a little bit of breathing room so we can give policemen raises and go ahead with a few capital improvement programs. Keep the cap law, but give us a little bit of breathing room. The City of Atlantic City would be in a lot better shape today with a little bit of breathing room - not do away with it - but some breathing room in the cap law. Please take that under consideration. Thank you.

ASSEMBLYMAN EDWARDS: That is an important distinction. That has been an issue.

J O E L J A C O V I T Z: Joel Jacovitz, Deputy Mayor of Egg Harbor Township.

Gentlemen, I had an occasion last night, after attending several other meetings in my capacity as an elected official in a growing community, which Egg Harbor Township happens to be --- and we have an extreme burden on our community

right at this time --- I had occasion to read this bill. And I couldn't sleep all night, to be quite honest with you. This bill, in effect, would take away whatever authority is vested in local governments, whatever is left. The Governor would appoint five members, volunteers to be working on a voluntary basis. It is beyond my comprehension to understand how these five gentlemen or women, whatever they may be, would be able to handle the multitude of responsibilities that would be vested in them by this bill.

As an elected official, I spend more than 40 hours a week in my Municipal Hall, trying to understand and deal with the problems that our community faces. After reading this bill - and I am not going to get into the specifics because I think the whole bill is atrocious - I felt very curious about where the people who introduced this bill were from. I went to the trouble to look up the name of each one of the individuals listed as sponsor of this bill; not to my surprise, I now understand why this bill was sponsored when I looked at the names of the individuals and where they are from: Middlesex, Middlesex, Hudson, Union and Middlesex, Middlesex and Somerset, Middlesex, Essex, Essex, Hudson, Middlesex and Middlesex.

Obviously, the Governor could not find a single legislator from South Jersey, Atlantic County, or any of the other counties in South Jersey to sponsor such a piece of legislation.

I would furthermore like to point out that our committee - and I represent two organizations here. One is the Township of Egg Harbor and the other is the Committee to Free South Jersey, which, hopefully, you all are very much aware of at this point since it did carry in the counties where the question of secession was on the ballot.

We would pose to you five points that we think would correct a situation like this from recurring. I would like to expound on those five points.

1. No legislator shall be permitted to introduce or sponsor legislation that affects an area outside of his or her district unless it is statewide in scope.

2. No legislator may introduce or sponsor more than five bills of law for any one session of the Legislature.

Those of you who are members of the Legislature are very much aware of the Legislative Index. I think it is a disgrace to allow this many bills to be before either committees or the Legislature in any session when, in fact, no one, short of a computer, could read or understand this number of bills. (Applause.)

ASSEMBLYMAN PELLECCCHIA: I didn't want to stop you before. I am giving you as much latitude as I can. I would appreciate it if you would stick to the bill.

MR. JACOVITZ: I am sticking to the bill.

ASSEMBLYMAN PELLECCCHIA: No. You brought up the Index and other things. I wanted to say I hope you are not ready to fire on Fort Sumter.

MR. JACOVITZ: I am.

Any bill which affects only a specific county - and that goes back to this bill, if you would like it that way - must be submitted to the County Freeholder Board for review and comment prior to introduction. And I will tell you now Egg Harbor Township, a community in Atlantic County, got this bill eight days ago. We got a certified copy, given to our clerk, stamped in. I will be happy to show it to you. That is not sufficient time to respond to a bill of this magnitude.

4. No legislation may be enacted into law without an economic impact statement accompanying it. Additionally, every law must also give the source of revenue necessary for implementation and enforcement.

This bill talks about recouping or capturing the casino revenues, taking money from individual municipalities, including Atlantic City, and then redistributing that wealth. We are satisfied with what we have. We don't need another governmental agency telling us how we should break that money out.

5. Every legislator must sign an affidavit that he or she has read and understands every bill up for consideration prior to voting.

I would venture to say - as I have discussed this with our legislative people locally - that 50 percent or more of the people that would vote on this bill which doesn't even affect them and doesn't affect their constituency would not even have read this document.

ASSEMBLYMAN PELLECCCHIA: I have to stop you at this point. Understand this - we are not here to be chastised by anyone. We are here to do our job and I think we know what we are doing. If you know anything at all about the Legislature, you know any bill that is introduced goes through this kind of a process. This is the reason I as the chairman of this committee and the rest of the members of the committee said we will go to the source - we will go to Atlantic City and have the hearing here. That is why we are here. To come down here and fight your fight and then have you come up and chastise this committee -- I'm just not going to allow that to happen. That is enough now.

MR. JACOVITZ: I am not talking specifically about this committee.

ASSEMBLYMAN PELLECCCHIA: Assemblyman Girgenti.

ASSEMBLYMAN GIRGENTI: I just want to say one thing to you. You read us a list of those who sponsored the bill. I didn't hear anybody from Bergen and Passaic, the counties that we who are sitting here represent.

The fact of the matter is that we came down here to listen to this testimony. I think a lot of the people on this committee have said things that you probably agree with. But I didn't come here to have you dictate to me. I am not on trial here today. I am here to hear about the legislation.

MR. JACOVITZ: I am sorry I came across that way.

ASSEMBLYMAN PELLECCCHIA: That is the way you came across.

ASSEMBLYMAN GIRGENTI: As far as reading bills, I will say as one legislator, I read every bill that I vote on. That is my duty as an elected official to do that. So I don't know who you have been talking to, in terms of legislators not reading bills. As one legislator, I will testify to the fact that I read everything that I vote on.

MR. JACOVITZ: I didn't mean to point a finger specifically at you gentlemen because I know that you did make the effort and take the time to come here. However, I wanted it read into the tape so that anybody else who might listen to these tapes would be very much aware of the fact that the people of Atlantic County, the local elected officials in Atlantic County, are very concerned with the type and magnitude of legislation that is being forced down our throats without consultation from local municipal bodies or county governments.

ASSEMBLYMAN PELLECCCHIA: Mr. Williams.

E. BELVIN WILLIAMS: Good afternoon. I am E. Belvin Williams, Senior Vice President, Educational Testing Service. But I was the chairman of the

Governor's Task Force on Unemployment in Atlantic City. I am most appreciative of the opportunity to talk before your committee today about certain aspects of our report, which I hope you have a copy of.

About a year ago, the Governor appointed a Task Force to look into the problem of unemployment here in Atlantic City. It was a persistent kind of problem and one with which a lot of people were concerned - and I am sure you have been too. He asked us if we would try to identify some of the determinants of the level of unemployment that were then being realized. He assembled a group of citizens from the State of New Jersey, the names of whom are in the report, if you have that before you, and we did work quite diligently to try to understand that problem. But as we got into the matter of investigating what some of the determinants might be, it became quickly obvious that it was interrelated with a lot of other problems. So it was not just unemployment. There was obviously a transportation problem, a housing problem, and what we called an information insufficiency problem. As a matter of fact, there were a number of people who wanted to have jobs but did not really know where to go to find them. There were problems in filling out the application forms. There were problems with security clearance and the like.

We made various recommendations which we thought would alleviate some of those kinds of problems that were facing the citizens not only of the city, but also of the county. Among them, we did, however, make the recommendation, which was Recommendation Number 6, found on page 39 of the report, that a regional commission of some sort be set up to coordinate the varieties of activities that were going on within this particular area.

Unfortunately, this, for some, is a kind of unwelcome suggestion. I would point out in all candor that not all members of our committee agreed with this particular recommendation. We do indicate that three of them - and their names appear in the report - did dissent from this particular recommendation. But the magnitude of the problem in trying to coordinate the efforts of not only the agencies, but planning and working with the governmental agencies, working with the business institutions, etc., is a fairly large one. We viewed the kind of situation that exists here as one in which all of a sudden there is a tremendous input of money, of force, of activity which is now in certain ways having all kinds of dislocation effects, although albeit, it is true, it is having some very positive effects in the community, and those are welcomed. But the concern has been, what will be the future five or ten years out as one tries to develop all the various resources, not only the human resources but the physical resources of the area which will be called upon. This is why we recommended that there be a consideration for such a commission, recognizing that it does pose various sorts of problems, but hoping that there would be some way of finding some alternatives and some configuration which would permit a more smooth interaction of the varieties of agencies, both private and public, in the planning process to come forth with that kind of design that will benefit not only Atlantic City and Atlantic County, but the State of New Jersey.

With those brief comments, Mr. Chairman, if any members of the committee would like to ask me any questions, I will try to respond to them.

ASSEMBLYMAN PELLECCIA: Any questions?

I was very interested in some of your remarks and will make a study of them.

MR. WILLIAMS: Thank you very much.

ASSEMBLYMAN PELLECCCHIA: Thanks a lot for testifying.

MR. WUNSCH: Is there a Mr. Eames here? (No response.)

Dennis Gorski. (No response.)

Alice Gordon.

A L I C E G O R D O N: My name is Alice Gordon. First, I have been a resident of Atlantic City for a long time. My family came here in the horse and buggy days. Secondly, I am a resident of Bergen County in Fort Lee. My husband's family and ancestors were residents of Passaic County.

I first heard about this in the newspapers. I thought it was a little bit strong type of approach to Atlantic City.

I will say in a few words that I am against this superagency for many, many reasons. I don't think that the board understands our problems here in Atlantic City. We do need some sort of communication on a person-to-person basis. In other words, it would be nice for a committee to come to our Commissioners' meeting and to come to our meetings here and understand the situations. By the same token, it is good if someone from the outside would visit Trenton as a citizen and give some input there, such as offer suggestions.

There is some strong autonomy here. I think there are people who have strong voices and they are heard sooner than other people. Therefore, we need some impartial people to help us.

I help poor people, and my family has, but I didn't understand why Ms. Kline said we don't have homes here for the poor and we don't have homes here for the aged.

Yes, casino gambling has hurt all of us who are not in the casino business. It has hurt me as a guess house owner. Years ago people used to come here on buses and trains and they didn't need parking facilities. I have four houses with no parking. I can't even rent my rooms and apartments to people who work in the casinos or who work in construction because I have no parking. But that is neither here nor there because I do have other income.

The inlet area has to be helped and we need money from the State to put in new sewage systems here and give us some more land ---

ASSEMBLYMAN PELLECCCHIA: Ma'am, you are getting away from the bill.

MS. GORDON: I am deviating. I'm sorry.

ASSEMBLYMAN PELLECCCHIA: Stick to the bill and you will have no problem.

MS. GORDON: We do have problems here. We have sewage and water problems. But I want to give you a very important fact that you must look into. When my mother passed away in 1974, our taxes on North Carolina Avenue - I have two houses, one Victorian and one colonial - were almost \$1500 and our neighbor's, \$1800. We could only sell it at that time for \$20,000. But the same type of property in Fort Lee or Englewood Cliffs at that time would have brought a quarter of a million dollars. Yet, their taxes aren't as high as ours. Therefore, you have to have someone from the State come down and see our problems. Thank you.

MR. WUNSCH: Mr. Kondratow.

J O H N L. K O N D R A T O W. My name is John Kondratow. I am President of the Taxpayers Union of Atlantic City. I am County Chairman of United Taxpayers of New Jersey. As President of Taxpayers Union of Atlantic City and County Chairman of United Taxpayers of New Jersey, I strongly object to any more take-overs by the State that erodes the right of the taxpayers of Atlantic City and

Atlantic County to control their own destiny. Any attempts by the State to take over the taxpayers' rights in just Atlantic City and just Atlantic County is discriminatory in nature and an insult to the taxpayers of this area.

It seems as though our Governor has not received the message delivered by the voters in the last election. We taxpayers are sick and tired of paying for any more new agencies or authorities that are supposedly created to solve local problems. By past experience, new agencies and authorities have only added to our problems and have not solved them.

We taxpayers of Atlantic City and Atlantic County have survived many years of unusually high property taxes. Now that we are on the verge of receiving some tax relief by the construction of more ratables, our Governor wants to set up a so-called superagency at the expense of the taxpayers, which can only add to the tax burden.

In a newspaper article in today's paper, it quotes the Chairman of this committee as stating, and I quote: "We are going in completely neutral." If this is true, then I urge you to take heed to the outcry of the local taxpayers that we do not want any more State interference that will further erode our right to control our own destiny.

We strongly urge you not to release this bill that would have such broad powers that would include the power of eminent domain. We taxpayers in Atlantic City have fought and won the use of eminent domain on a local level and certainly do not intend to stand by while you set up an agency that would have these powers. This proposed agency is nothing more than another agency that would do no more than create more duplication of services that we certainly do not need.

We strongly urge you not to release this bill. Thank you. (Applause)

ASSEMBLYMAN PELLECCIA: Thank you. And I am glad you quoted me.

MR. KONDRATOW: Thank you for the opportunity.

MR. WUNSCH: Two spokesmen from the administration, Mr. Kinsey and a spokesman for Mr. Gambaccini's office, please.

J O H N J A M I E S O N: Mr. Chairman. I am Deputy Commissioner John Jamieson, New Jersey Department of Transportation, speaking on behalf of Commissioner Gambaccini. He had hoped to be here, but his schedule is very tight today in Atlantic City. I will keep my remarks brief.

During the next decade, this region will require major changes in its transportation system if it is to provide access to Atlantic City for visitors and commuters alike. In recent years, neither the Atlantic City and Atlantic County representatives nor State officials have remained idle while this area has been growing. We have all worked to put together the basic building blocks of a good regional transportation system to meet the region's needs. Senator Perskie recently sponsored a bill which the Department of Transportation and local officials worked on with him to establish an Atlantic County Transportation Authority to preserve and improve and develop the county's transportation system. Governor Byrne signed the bill this summer and the Board of Directors has been meeting since the law was enacted to begin the important, but complex, process of regionalizing and improving service in the county.

Another effort that has been undertaken is the examination of the State's rail line between Atlantic City and Lindenwold, and that seemed to be connecting to the Amtrak system in Philadelphia, as a high speed intercity rail system. Congressman James Florio of the Camden area was successful in obtaining funding for a

federal study of the feasibility of this service and the Department of Transportation and Atlantic County are participating in this effort. Recently, the Federal Railroad Administration issued a preliminary study of rail corridors throughout the country to determine their potential for future development and listed this corridor as ranking second in the country to receive federal funds for capital improvements.

However, in order to determine how best to coordinate the projects and proposals for transportation systems in Atlantic County to accommodate the substantial increase in traffic, it has been recognized by Atlantic County officials and our Department that there needs to be established an institution to coordinate transportation projects and to plan improvements. For example, some of the proposals offered are very costly - a downtown people-mover system to provide connections from parking lots to casinos would cost hundreds of millions of dollars, a high-speed rail line would also be expensive, and multi-tiered parking garages to accommodate the large influx of visitors would be quite costly. However, even under the most expansive view of available funds, all these proposals could not be funded. Therefore, the planning and coordination of projects must be done by some agency which has the full participation of local and State officials.

We have held many discussions with local officials to determine what mechanism would be most appropriate to carry out this function. Since the 1960's regional transportation planning has been accomplished by the Atlantic City Urban Area Transportation Study Organization. It provides a local forum for the discussion of regional transportation problems, but it has been criticized for its inability to deal effectively with the transportation problems associated with casino development. The function accomplished by ACUATS is important, particularly since it satisfies the federal requirements for a metropolitan planning organization to review and approve transportation projects before such projects may receive federal funds. We have been looking at ways to improve and strengthen this type of regional transportation planning.

Recently, Governor Byrne introduced a bill entitled the Atlantic Regional Commission Act which would establish a commission to act as a coordinator of regional programs and policies for, among other matters, transportation. We view this bill as a very positive step in achieving the kind of coordination which will help make transportation programs more effective and in improving regional planning. I want to mention, in particular, that under the law creating the new Atlantic County Transportation Authority, there is a requirement that it develop a master plan for its own programs which has to be approved by an independent planning agency to be selected by the Commissioner of Transportation. I believe this can be accomplished in a manner consistent with, or as part of the proposed Atlantic Regional Commission.

It is our hope that with the institutional framework which has been created with the Atlantic County Transportation Authority, coupled with the new Atlantic Regional Commission, the building blocks for dealing with the transportation problems of the Atlantic region will be completed and we can get on with the difficult but challenging task ahead. Thank you.

(Written statement of Commissioner Louis J. Gambaccini can be found in the appendix.)

ASSEMBLYMAN PELLECCCHIA: Any questions?

ASSEMBLYMAN EDWARDS: I noted with some interest your discussion about

the Transportation Authority that you helped create or your Department did, at least, for Atlantic County. I wonder how that really, in fact, does match with and coordinate where a need is demonstrated for coordination with the commission being created under this bill. It would seem to me that we should allow the County Transportation Authority to get its act together and get in place to lay its plans down; and, at that point in time, we would know what kind of coordination or what kind of additional agencies in government should be created to facilitate the implementation of their planning to deal with this county's general regional problems and that any other coordination can, should and would be done with the Department, itself, and with existing agencies we already have. By establishing the ARC we are just adding another level which the Transportation Authority would have to go through and further delay the implementation of the meaningful program that they should be coming up with. That is a lot of "ifs."

I am looking for some answers to what I see as an inconsistency which you have tried to portray as a consistency.

MR. JAMIESON: I do not intend to indicate there is another layer. That is not the intent whatsoever. The Atlantic County Transportation Authority has the responsibility for master planning. And somebody should review that kind of activity. One should not review his own work. The federal government does require there be another review agency called a Metropolitan Planning Organization. Today, it is this group called ACUATS. They are not doing the most effective job that could be done. We have received recent criticism from the federal government with respect to ACUATS' activities. It would be the intent that should this Atlantic Regional Commission come into being that that review of the work of the Atlantic County Transportation Authority and others, such as our on State activities are concerned, would come under the review of the ARC. It would not be another layer.

ASSEMBLYMAN EDWARDS: Well, wouldn't they have a great deal more authority, as described under the bill, than just to do that review for the County Transportation Authority? Presently there is a mechanism in place in which the Commissioner, who just walked into the room, could assign the review of the master plan to another agency. This bill creates a lot more authority with reference to transportation than just review. It gives them some veto power and I think it is really imposing a great deal of control, perhaps even obviating the need for the Transportation Authority, itself; and it is creating another level in transportation and in all levels of development within the confines of Atlantic County. It seems to be a duplication.

ASSEMBLYMAN PELLECCCHIA: I don't think he needs to respond to it. We can get to the Transportation Commissioner later on.

Let the record show that Commissioner Gambaccini has arrived. I don't know whether you want to make a statement. It was well handled by your representative.

LOUIS J. GAMBACCINI: I don't think it is necessary. In fact, Deputy Commissioner Jamieson has been my designee on the Transportation Authority in this area and has handled most South Jersey matters.

If I might very briefly respond to Assemblyman Edwards' comment, I think we are in a period of extraordinary pressures across the board with the development of Atlantic County and the Atlantic City interests. And, if anything, there may be a risk of some redundancy. But I think there is a need for an intensity of

effort to assure regional thinking. The problem of Atlantic City transcends Atlantic City. It certainly overlaps into the county and, indeed, it overlaps throughout several counties and all the way into Philadelphia.

I am sure Commissioner Jamieson mentioned our involvement in the plans for a rail service from Philadelphia to Atlantic City. It is almost a classic, if not the most dramatic, case ever for fantastic anticipated growth in a very, very tight time frame. I know of no other that offers that kind of challenge in trying to effectively plan and develop.

We think that the Regional Commission and the Authority are compatible and we, certainly at the State level, are anxious to apply all of our best efforts both staff, departmental, and other resources of several departments to try to work closely with the county, municipal - the several county interests.

ASSEMBLYMAN EDWARDS: If I might pursue that a little bit further, the question that I have been asking the witnesses who have appeared here is: Are we, in fact, creating another level of government? And I am trying to arrive at a conclusion myself as to whether or not the existing levels of government, the political jurisdictions - the county Freeholder Board - with the newly created Transportation Authority and the existing structures that we have, can't function maybe with some additional responsibility, maybe with some additional resources, and maybe with some of the provisions that are contained in the bill, itself. Giving those kinds of powers to certain existing political bodies, such as the County Board of Freeholders or the Transportation Authority, might solve the same problems. I can see the regional approach if it were reaching out beyond Atlantic County all the way up to Trenton, but it is not. It seems to be restricted to this area and it seems to be redundant.

COMM'R GAMBACINNI: I think the issue is more than transportation. It pervades all development and this commission is really designed for much more integration of all of the factors: housing, transportation and the like. I think it requires this kind of a mechanism.

ASSEMBLYMAN EDWARDS: And you do not find this to be redundant?

COMM'R GAMBACINNI: I do not.

ASSEMBLYMAN PELLECCCHIA: Thank you, Commissioner. We are about ready to be evicted.

Mr. Kinsey, you have a report here and I would appreciate it very much if you would just give us a capsule of what is in the report. The rest will be included in the record.

D A V I D N. K I N S E Y: Thank you, Mr. Chairman.

I realize it is important to insure cooperative State-local relationships and not be evicted by the City Commissioners from the room.

On behalf of Commissioner English, I do want to thank you for this opportunity to present the DEP's views on this bill. You do have my prepared testimony which gives a fuller explanation of our views.

In brief, this bill carefully targets selected regional development issues brought about by casino development in this city. The problems go beyond the city's boundaries and that is why a regional approach is necessary.

DEP plays an important role in this region's development. We support this bill which will help DEP work with other state, local, federal agencies, the private sector of citizens, and everyone who is involved in this process.

Today, you have heard several references to DEP's review of construction

proposals under the CAFRA law which I administer. Since 1976, we have reviewed and approved 12 casinos. Each casino means thousands of jobs. Each job creates additional jobs. In short, there is a tremendous need for housing in this region. The bill will address some of the problems by providing the methods I referred to in my testimony. Capital investment will be directed. Conditions of casino licenses will be directed and sharing of tax revenues.

Housing is also an important issue in this region. The County Improvement has new authorities, but it could benefit from the authority in the bill to waive the reresolution of local need. This critical tool should, however, be used only sparingly and only as a last resort, if cooperative efforts fail.

The coastal region is practically at the stage of a major building boom today. Since Labor Day, I have approved 10,000 dwelling units on the mainland. There is extensive development about to take place. But, again, these housing developments will produce other types of need.

This bill will provide a mechanism for acquiring sites for needed public facilities and also provide for sharing of taxes.

DEP has also denied two proposals. One of those proposals in Atlantic City had received lots of local variances in order to be approved. The bill provides oversight of local variances.

The bill addresses lots of problems. DEP will willing submit itself to the careful capital investment process spelled out in this bill. DEP also supports the provision of the bill that adds some clarity to the present informal cooperative system of State agency advice to the Casino Control Commission.

Finally, let me close with a few words on the existing county-level institutions that have been discussed in this region. Casino gambling has literally focussed the attention of our nation on this city and on this region. As I said, the problems are not limited to the city, itself. The county has a strong county elected executive. The county has an existing County Sewage Authority that operates a plant with a 40 million-gallon-per-day capacity. The County Improvement Authority plans public works and is about to get into the housing business. You have heard about the Atlantic County Transportation Authority. All of these agencies exist. The bill, wisely in my judgment, defers to DEP and to the Pinelands Commission for land use policies. It does not add another layer of land use regulation. What is needed, however, is a specialized group to knit together the various interests and provide a forum for State interests, county interest and local interests, to get together, to talk, debate, discuss, all the various issues, so that the proper development and protection of the built, economic, social, and natural environment of this region are realized.

DEP looks forward to participating vigorously as a member of the commission. And I thank you very much.

(Mr. Kinsey's written statement can be found in the appendix.)

ASSEMBLYMAN PELLECCCHIA: Thank you. I am sorry I had to rush you.

MR. WUNSCH: There are two more people who would like to speak: Mr. Eames and Mr. Gorski.

ASSEMBLYMAN PELLECCCHIA: Will you both come up together. If you have prepared statements, I would appreciate it very much if you would submit them. These are the last two.

I don't know who these people are who coming in the room. I presume they

own the place. Just give us another five minutes and we will leave.

W I L L I A M D O W N E Y: Mr. Chairman, my name is William Downey. I am Executive Director of the Casino Hotel Association here in Atlantic City. I am not sure whether you want me to read my testimony.

ASSEMBLYMAN PELLECCCHIA: I would appreciate it if you would submit your statement. But I would like to talk to you at another time.

MR. DOWNEY: I would like the record to state that I was told to appear here at 2:45 this afternoon to offer our testimony.

I think we play a major role ---

ASSEMBLYMAN PELLECCCHIA: I am sure we are going to give you the opportunity to play that role. The committee is under adverse conditions here, as you can see. We are being evicted and we are trying to conduct a hearing. There are people walking in without respect to what is going on. All they know is they have come to do their business and they have to do their business. So I am trying to rush things and make it as pleasant as possible.

MR. DOWNEY: Well, let me just summarize briefly.

As the Association representative, we are unalterably opposed to this bill. That is the clearest and most concrete expression that I can give to you relative to the industry's stand on this particular Assembly Bill 1950. We think, first, it would establish a structure which in our judgment is not necessary, that the existing mechanisms are in place to bring about the success of the experiment that we are presently enjoying here in Atlantic City; and, secondly, something that is of great concern to us, we are asked to pick up the tab for this thing, as you are well aware. We are gravely concerned that these additional burdens are placed upon us. The types of costs that are now being transferred to the casino group cover the whole gamut. And we feel that there is a great danger here, that there are developers who are on the scene who are concerned about this whole financial situation. Each one of these facilities employs some 3500 people. I am not going to enumerate all of the benefits the State derives by reason of one facility coming on board. If we were to scare away one developer because of these additional costs, I think that we would be doing a great disservice to the people of this State.

Those are the two basic objections that we have to the proposal. I would be willing to discuss this with you or your committee later when you have more time.

(Mr. Downey's written statement can be found in the appendix.)

ASSEMBLYMAN PELLECCCHIA: Under the conditions you have testified, I would suggest that we may have you appear before the committee when we are debating the provisions of this bill.

MR. DOWNEY: Thank you.

ASSEMBLYMAN PELLECCCHIA: I don't know when that will be. But whenever we do, I will see that you get a personal invitation to appear.

MR. DOWNEY: We would like an opportunity to explore it in some detail.

ASSEMBLYMAN PELLECCCHIA: Thank you for being so patient.

Mr. Eames.

W I L L I A M E A M E S: I am Bill Eames. Some of you have copies of our testimony.

I represent the Greater Atlantic City Chamber of Commerce.

First, we were given a time, but obviously you are running short of time. We would like the opportunity, and very strongly so, to testify in detail next time you hold a public hearing.

We do oppose the bill. Our conceptual opposition is outlined. We will provide greater detail to your committee staff within ten days. I would ask that additional public hearings be scheduled in the Atlantic County area. There are a great number of people who are very concerned about this bill. It does affect us exceptionally. I would ask every effort be made to hold more public hearings in this area before any concrete action is taken.

(Statement submitted by Greater Atlantic City Chamber of Commerce is included in the appendix.)

ASSEMBLYMAN PELLECCCHIA: I agree with you, but I can't make any commitments yet. The Legislature is about ready to recess until next year. However, we will give everybody an opportunity to be heard, whether here or in Trenton, but if it is necessary, it probably will be here.

Thank you again. (Applause.)

I hope that the Mayor and you others appreciate our problem. I want to thank them again for letting us use the hall.

This meeting is now adjourned.

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I AM ANN KLEIN, COMMISSIONER OF THE NEW JERSEY DEPARTMENT OF HUMAN SERVICES. I APPRECIATE THE OPPORTUNITY TO TESTIFY ON THIS LEGISLATION, WHICH WOULD ESTABLISH AN ATLANTIC REGIONAL COMMISSION TO ADDRESS THE COMPLEX NEEDS OF ATLANTIC AND NEIGHBORING COUNTIES. THE ARRIVAL OF CASINO GAMBLING CERTAINLY HAS HAD AN IMPACT ON THE THOUSANDS OF CITIZENS IN THAT AREA WHO RELY ON THE DEPARTMENT OF HUMAN SERVICES FOR WELFARE, MEDICAL AND SOCIAL SERVICES. I WILL ADDRESS THIS LEGISLATION FROM THE PERSPECTIVE OF THE STATE AGENCY SERVING THE MOST VULNERABLE PERSONS IN THE REGION AND ATTEMPTING TO KEEP UP WITH THE RAPIDLY GROWING SERVICE NEEDS THERE.

FIRST, IN ORDER TO UNDERSTAND THE IMPACT OF CASINOS ON THIS SYSTEM, IT IS IMPORTANT TO UNDERSTAND THE STATE OF SERVICES AT THE TIME THE REFERENDUM WAS PASSED. ATLANTIC HAD THE SECOND LOWEST PER CAPITA INCOME IN THE STATE; IT ALSO HAD THE SECOND HIGHEST PROPORTION OF ITS POPULATION RECEIVING AID TO FAMILIES WITH DEPENDENT CHILDREN, THE BASIC PUBLIC ASSISTANCE PROGRAM FOR CHILDREN AND THEIR FAMILIES. FURTHER, ONE OUT OF FIVE PEOPLE IN ATLANTIC COUNTY WERE MORE THAN SIXTY YEARS OF AGE. IN SHORT, THE COUNTY HAD A DISPROPORTIONATE SHARE OF PERSONS MOST DEPENDENT AND MOST IN NEED.

BECAUSE THE COUNTY DID NOT HAVE A SIZEABLE INDUSTRIAL OR COMMERCIAL BASE, THE ECONOMIC DECLINE ALSO HAD AN IMPACT ON LOCAL SOCIAL SERVICE AGENCIES, WHO WERE DEPENDENT ON THE TOURIST AND CONVENTION INDUSTRY FOR FINANCIAL SUPPORT. SOME AGENCIES WENT OUT OF BUSINESS; OTHERS HAD TO CURTAIL THEIR ACTIVITIES.

THIS SAME DECLINE LED TO EMPTY HOTELS, VACANT TOURIST HOMES, AND EMPTY APARTMENTS. THE HOTELS BECAME IDEAL LOCATIONS FOR SENIORS WISHING TO RETIRE TO THE SHORE AREA, OR FOR INDIVIDUALS WISHING TO PURCHASE FACILITIES FOR NURSING HOMES, BOARDING HOMES AND SHELTERED CARE. AS UNRENTED APARTMENTS BECAME AVAILABLE AT LOW RENTS, POOR FAMILIES MOVED INTO THE CITY.

BECAUSE BEDS AND LOW COST ROOMS WERE THERE - ATLANTIC CITY BECAME AN ECONOMIC PLACE TO LIVE IF YOU WERE ELDERLY AND LIVING ON SOCIAL SECURITY, OR DISABLED AND LIVING ON SUPPLEMENTAL SECURITY INCOME (SSI). WITH THE ADVENT OF THIS INDUSTRY, 60% OF THE SHELTERED CARE BEDS AND 80% OF THE NURSING HOME BEDS IN ATLANTIC COUNTY ARE IN AREAS ZONED FOR CASINOS AND LUXURY DEVELOPMENT.

IN SUMMARY, AT THE TIME THE CASINO REFERENDUM PASSED, OUR AGENCIES WERE, FOR THE MOST PART, SMALL, UNDERSTAFFED, HEAVILY DEPENDENT ON VARIOUS FEDERAL AND STATE FUNDING SOURCES, AND UNABLE TO GROW EXCEPT BY GETTING GRANT MONEY FOR WHATEVER PROGRAMS WERE CURRENTLY AVAILABLE FROM THE FEDERAL GOVERNMENT. THE AREA, THEN, WAS DEPRESSED NOT ONLY ECONOMICALLY BUT SOCIALLY AS WELL, WITH MANY LACKING A SENSE OF HOPE FOR THE FUTURE.

CASINOS HAVE BROUGHT MORE JOBS AND REVENUES TO THE ATLANTIC AREA. HOWEVER, THEY HAVE ALSO HAD UNDESIRABLE EFFECTS ON SOME PEOPLE IN ATLANTIC COUNTY. THE WORST OF THE ILL EFFECTS ARE A CRITICAL HOUSING SHORTAGE AND SPIRALLING RENTS, AS COMMISSIONER LEFANTE HAS TESTIFIED. I WOULD LIKE TO SPEAK TO YOU ABOUT SOME SPECIAL HOUSING NEEDS WHICH MAY NOT BE AS VISIBLE, BUT WHICH ARE EQUALLY IMPORTANT. THESE INVOLVE:

- (1) EMERGENCY SHELTER FOR WOMEN AND FAMILIES,
- (2) TEMPORARY AND TRANSITIONAL HOUSING FOR VICTIMS OF EMERGENCIES AND FOR THOSE MOVING FROM INSTITUTIONAL TO COMMUNITY LIVING, AND
- (3) SHELTERED LIVING FOR THOSE WHO DO NOT NEED INSTITUTIONALIZATION BUT WHO CANNOT COPE WITHOUT DAILY SERVICES.

AS THE IMPETUS OF GAMBLING MOVES THE CITY AND COUNTY TOWARD A HEALTHY ECONOMY, THIS VERY RETURN TO HEALTH CAUSES THOSE OLD HOTELS TO BECOME VALUABLE AGAIN - AND CAUSES THOSE EMPTY MOTELS WHICH USED TO BE THERE FOR VICTIMS OF FIRE, ETC. - TO BE OCCUPIED OR EXPENSIVE TO RENT.

THE NEED FOR SHORT TERM SHELTER IS ONE AREA IN WHICH THE CASINOS HAVE CLEARLY IMPACTED - AS THE STATISTICS SHOW. TRAVELERS' ASSISTANCE, OPEN 16 HOURS PER DAY - SERVES TRANSIENTS WITH PROBLEMS AND FINDS THAT 70% OF ITS CLIENTS HAVE A PROBLEM RELATED TO THE EXISTENCE OF CASINOS. MOST HAVE LOST ALL OF THEIR MONEY GAMBLING AND NEED HELP TO GET HOME.

OTHERS CAME TO TOWN THINKING JOBS WOULD BE EASY TO FIND, AND RAN OUT OF MONEY WHICH LOOKING. THE MOTEL CURRENTLY USED TO HOUSE THESE PEOPLE WILL NOT BE AVAILABLE VERY LONG - AND SOME OTHER RESOURCE IS NEEDED. WE STILL NEED SHELTER TO HOUSE THE VICTIMS OF FIRE AND OTHER EMERGENCIES - AND WE NEED IT NOT ONLY FOR ATLANTIC CITY.

WE NEED THIS TYPE OF SHELTER FOR WOMEN AND CHILDREN WHO DO NOT QUALIFY AS ABUSED OR BATTERED, BUT ARE HOMELESS. IT SHOULD BE VERY SHORT TERM - AND ITS FUNCTION SHOULD BE TO HELP PEOPLE PLAN FOR A MOVE TO THE NEXT STEP.

IT IS CLEAR THAT OUR DIVISION OF MENTAL HEALTH AND HOSPITALS WILL NOT BE ABLE TO FIND AMPLE SHELTERED CARE IN ATLANTIC CITY - AND THE MAINLAND APARTMENTS NOW USED BY COMMUNITY PROGRAMS WILL BE FAR TOO EXPENSIVE WHEN THE CURRENT LEASE EXPIRES. IT SEEMS UNFAIR THAT FORMERLY HOSPITALIZED RESIDENTS OF ATLANTIC COUNTY CANNOT RETURN THERE BECAUSE THEY CANNOT FIND ANY SHELTER.

WE ARE ALSO CONCERNED FOR THE DISABLED AND FRAIL ELDERLY WHO, AS THEY BECOME UNABLE EITHER PHYSICALLY OR FINANCIALLY TO MANAGE IN THEIR OWN HOMES, ARE FACED WITH NURSING HOME PLACEMENTS BECAUSE THEY HAVE NOWHERE ELSE TO GO - AND ALSO BECAUSE WE FEAR THAT THE NURSING HOMES BEDS WILL NOT BE AVAILABLE.

WE WOULD LIKE TO SEE A SPECIAL SYSTEM OF SHELTER AND HOUSING WHICH WOULD ENABLE PEOPLE TO MAINTAIN INDEPENDENCE AND A LIFESTYLE AS CLOSE TO NORMAL AS POSSIBLE - AND AS POPULATION INCREASES AND GETS OLDER - THE NEED FOR SUCH SERVICES ALSO INCREASES.

FINALLY, THE IMPACT OF CASINOS HAS HIGHLIGHTED THE NEED FOR A SYSTEM OF EMERGENCY SERVICES TO BE AVAILABLE AT NIGHT AND ON WEEKENDS, AND ABLE TO PROVIDE BASIC HELP SUCH AS EMERGENCY FOOD AND SHELTER, TRANSPORTATION, AND LEGAL SERVICES. LOCAL AGENCIES HAVE WORKED TOGETHER TO DEVELOP SUCH A PROGRAM, KNOWN AS ACCESS / ATLANTIC COUNTY COORDINATED EMERGENCY SERVICE SYSTEM. UNFORTUNATELY, THERE HAS BEEN NO FUNDING AVAILABLE TO PROVIDE A SOLID FINANCIAL BASE.

CASINOS HAVE ALSO AFFECTED SOCIAL SERVICE AGENCIES' ABILITY TO PROVIDE SERVICES. FIRST, SOCIAL SERVICE AGENCIES IN THE SOUTHERN PART OF THE STATE CANNOT COMPETE WITH THE SALARIES BEING OFFERED BY THE CASINOS, AND THEY ARE FINDING IT VERY DIFFICULT TO RETAIN AND RECRUIT PERSONNEL. SECOND, THE SHORTAGE OF RENTAL SPACE WILL MAKE IT INCREASINGLY DIFFICULT FOR AGENCIES TO FIND ACCESSIBLE AFFORDABLE LOCATIONS. FURTHER, GROUPS ESTABLISHING NEW SERVICES SUCH AS DAY CARE CENTERS ARE FINDING THAT THEY MUST ACQUIRE ZONING VARIANCES, EVEN IN AREAS DESIGNED FOR BUSINESS. THE APPARENT REASON IS THAT THEY ARE NOT SPECIFICALLY LISTED IN THE ORDINANCE AND THIS RESULTS IN HOURS OF UNNECESSARY EFFORT BY NEW SERVICE PROVIDERS.

AS YOU CAN SEE, THE IMPACT OF CASINOS ON THE HUMAN SERVICES SYSTEM EXPANDS BEYOND ATLANTIC COUNTY, AND CERTAINLY BEYOND THE SPAN OF SOCIAL SERVICE AGENCIES' CONTROL. THERE HAS BEEN A FAR-REACHING AND COMPLEX SET OF EVENTS TRIGGERED BY THE ARRIVAL OF CASINO

GAMBLING. THIS LEGISLATION (A-190) WOULD ESTABLISH A FOCAL POINT FOR ADDRESSING THESE DIFFICULT ISSUES, WHICH DEMAND SYSTEMIC SOLUTIONS. RATHER THAN ATTEMPTING A PIECEMEAL, FRAGMENTED APPROACH TO THESE PROBLEMS, THE REGIONAL COMMISSION WOULD BRING TOGETHER THE MANY UNITS OF GOVERNMENT NECESSARY TO MEET THE NEW CHALLENGES OF RAPID DEVELOPMENT IN THE ATLANTIC REGION. ITS REGIONAL BASE WOULD HELP TO ENSURE THAT THE PROBLEMS EMERGING IN ATLANTIC COUNTY ARE NOT SIMPLY TRANSFERRED TO NEIGHBORING COUNTIES, BUT ARE FACED SQUARELY BEFORE THEY ARE INTENSIFIED AND AFFECT AN EVEN WIDER AREA.

TESTIMONY OF
PUBLIC ADVOCATE STANLEY C. VAN NESS

BEFORE THE

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE ON THE ATLANTIC CITY REGIONAL COMMISSION ACT

NOVEMBER 20, 1980

The first years of casino gambling have produced a major surge in employment and in tourism for Atlantic City coupled with new tax revenues to assist senior citizens and the disabled throughout the state. Since the first casino opened its doors, however, our department has been concerned over the massive need for housing and public services generated by casino development and the environmental problems intensified by that development.

There is a widespread belief that since the casino-hotels have triggered these problems and these needs, they should have the responsibility for at least partially solving them. This is a view with which I concur.

Unfortunately, no single regulatory agency is presently considering these questions in a comprehensive manner. The Casino Control Commission has become so embroiled in the licensing process and in ensuring integrity in the casinos that it has had little time, energy or resources to focus on the social responsibilities of the casinos. I believe that A-1950 would establish a forum for determining what housing and environmental obligations can legitimately be imposed upon a casino licensee. It would also ensure that these obligations are met in an expeditious and orderly fashion.

The need for such a forum cannot be appreciated without considering the magnitude of the housing need generated by casino growth. The Department of Community Affairs report Review of the Probable Impact of Atlantic City Casino Development projects that the addition of 8 casinos will cause the creation of 165,000 direct or secondary jobs; 12 casinos will create 212,000 jobs. While this employment growth is clearly beneficial to the regional and state

economy, it is creating an astronomical housing demand. The D.C.A. report projects that 8 casinos will produce a need for 85,000 new units of housing; 12 casinos will produce a need for 130,000 units. Furthermore the Division of Coastal Resources of D.E.P. in a C.A.F.R.A. decision has concluded that over half of the people who need this housing will have incomes which are well below the median income for the county. This growth demand in turn creates a need for expansion of public and social services, and impacts on one of the most environmentally sensitive regions of the state.

Casino-hotel corporations should have responsibility for mitigating the problems they have generated. Certainly they should have the responsibility for providing housing for their employees and assisting in the necessary expansion of services. The housing need is on so great a scale that private developers cannot accomplish the entire task themselves. However attempts to impose this responsibility on casinos have thus far been unsuccessful. The Division of Coastal Resources has the power to impose conditions on casino developers who seek to build on coastal lands. However, in a November 12, 1980 decision, Coastal Resources declined to impose any housing obligation on a casino, stating that this authority rests within the jurisdiction of the Casino Control Commission. The Casino Control Commission has not yet acted on this nor has it adopted a timetable for doing this.

A-1950 would end this regulatory impasse. First, a casino applicant would be required to provide a housing opportunity plan describing how their employees would be housed. Second, the Atlantic Regional Commission will evaluate the housing, public service and environmental impacts of a casino license application and may

recommend the imposition of conditions which would mitigate these impacts. The Casino Control Commission must incorporate these recommendations unless it establishes good cause for failing to do so. The bill creates an agency with the expertise to evaluate the detrimental spillover effects of casinos and the legal mandate to implement the safeguards which it determines are necessary. Yet, the bill does not ignore legitimate environmental constraints. It would require that the new commission exercise its power consistent with the Pinelands Plan and the Coastal Zone Management Plan. I support this proposal.

A-1950 addresses a second serious problem. Atlantic City and the nearby municipalities are receiving the benefits of casino growth while the less developed municipalities in the county are expected to undertake the region's housing burden. Atlantic City receives the property tax benefits of the casino hotels. Property values for other land in Atlantic City and nearby towns has grown explosively. Yet it is the less developed municipalities with large amounts of vacant land which will have to house the casino employees, provide the infra-structure for the housing, and educate the children who will live in these homes. A-1950 would resolve this imbalance by creating an inter-municipal tax pool based on increases in property tax assessments. This pool would be used to defray the cost of educating the additional school children who will be coming into the county as well as defraying the cost of municipal services extended to new homeowners. This bill recognizes that the housing and education needs created by the casinos are a financial responsibility of the region which is benefiting from casinos. Our

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present tax structure creates a disincentive to zone for school children; A-1950 creates an incentive. Our present tax structure creates an incentive to engage in exclusionary zoning; A-1950 creates an incentive to zone to encourage non-luxury housing and subsidized housing.

I also support section 11 which would allow the Commission to review the decisions of the zoning board of Atlantic City. Speculation has reached such a fever pitch that almost irresistible pressures are being mounted to sacrifice a comprehensive land use plan to ad hoc decisions which are based solely on the greatest dollar return. For example our Department is appealing a zoning board decision granting a variance to build a casino-hotel in a residential district. The zoning board disregarded the protests of its own city planner who testified that the variance application was "in gross violation of the master plan." The Atlantic City master plan recognizes the critical land shortage in Atlantic City. Section 11 offers a safeguard to ensure that the remaining land is used to respond to all needs not just those uses which give the greatest profit to land speculators.

For these reasons, I urge passage of Assembly Bill A-1950.

TESTIMONY OF
ATTORNEY GENERAL JOHN J. DEGNAN
AT THE PUBLIC HEARING ON A-1950
(CREATION OF THE ATLANTIC REGIONAL COMMISSION)
NOVEMBER 20, 1980

GOOD MORNING.

I AM APPEARING BEFORE YOU TODAY TO SPEAK IN SUPPORT OF ASSEMBLY BILL No. 1950.

SINCE THE ADVENT OF CASINO GAMING IN THIS STATE, I HAVE BEEN APPROACHED BY MANY LAW ENFORCEMENT OFFICIALS FROM STATES THAT ARE CONSIDERING PROPOSALS FOR SIMILAR DEVELOPMENT OF A CASINO INDUSTRY. THE QUESTION THEY ASK IS ALWAYS THE SAME!: WHAT JUSTIFICATIONS ARE THERE FOR ALLOWING THE DEVELOPMENT OF AN INDUSTRY THAT BRINGS WITH IT THE POTENTIAL FOR ENORMOUS SOCIAL UPHEAVAL - THE INCREASED STREET CRIME, THE PROSTITUTION, THE ORGANIZED CRIME ...? MY ANSWER TO THEM HAS BEEN THAT THERE IS REALLY ONLY ONE JUSTIFICATION FOR ACCEPTING THE CASINO INDUSTRY AND ALL ITS MISCELLANEOUS BAGGAGE AND THAT IS THAT, IF CHANNELED PROPERLY, IT CAN BE A VALUABLE TOOL FOR URBAN REVITALIZATION. THAT WAS THE MOTIVATING FORCE BEHIND PASSAGE OF THE CASINO REFERENDUM AND THE CASINO CONTROL ACT.

THE PEOPLE OF NEW JERSEY APPROVED CASINO GAMING IN RECOGNITION OF THE NEED TO BRING THIS CITY BACK TO LIFE. ATLANTIC CITY WAS DYING! THE CASINO INDUSTRY, IN ITS PLEAS FOR ACCEPTANCE, GUARANTEED A REBIRTH OF ATLANTIC CITY - AN INFUSION OF CAPITAL, THEY IMPLIED, WOULD INEVITABLY RESULT FROM IMMEDIATE GROWTH OF CASINO GAMING. WHEN WE ACCEPTED THE CASINO INDUSTRY, WE EMBARKED ON A SOCIAL EXPERIMENT -- IN EFFECT, WE CHALLENGED THE CASINO INDUSTRY AND OURSELVES TO REBUILD AN AREA THAT TO MANY SEEMED BEYOND HOPE. AS FAR AS I'M CONCERNED, THAT SOCIAL EXPERIMENT WAS AND CONTINUES TO BE THE QUID PRO QUO FOR CASINO GAMING. IF IT IS NOT ACCOMPLISHED, WE WILL HAVE MADE A MISTAKE AND THE PREMISE FOR THE PUBLIC'S ENDORSEMENT OF CASINOS WILL HAVE BEEN UNDERMINED.

THE PRESENT STATE OF AFFAIRS IN ATLANTIC CITY LEADS ME TO BELIEVE THAT OUR EXPERIMENT, THUS FAR, IS NOT ENTIRELY SUCCEEDING. AT LEAST, THE JURY IS STILL OUT. THIS IS NOT TO SAY THE CASINO INDUSTRY HAS NOT FLOURISHED. BUSINESS HAS SOARED TO UNPRECEDENTED LEVELS SINCE THE ADVENT OF CASINO GAMING IN NEW JERSEY, AND THIS INFLUX OF BUSINESS HAS ENRICHED THE CITY FAR BEYOND ANYONE'S REASONABLE EXPECTATIONS.

I'M DELIGHTED AT THIS BOOM IN COMMERCE AND I'M AN ADVOCATE OF ITS CONTINUED GROWTH, WITH ONE IMPORTANT CAVEAT -- THIS INFLUX OF CAPITAL MUST TRANSLATE INTO THE DELIVERY OF QUALITY SERVICES TO THE RESIDENTS OF ATLANTIC CITY, THE

REHABILITATION OF DEPRESSED AND BLIGHTED AREAS, A RESURGENCE OF EMPLOYMENT OF ATLANTIC CITY RESIDENTS, AND AN END TO THE STREET CRIME THAT IS RUNNING RAMPANT THROUGHOUT THE CITY. SADLY, I FEEL COMPELLED TO POINT OUT THAT THESE BENEFITS TO ATLANTIC CITY AND ITS RESIDENTS ARE NOT BEING REALIZED!

THOUSANDS OF JOBS-HAVE BEEN CREATED. BUT THE GOVERNOR'S TASK FORCE ON UNEMPLOYMENT IN ATLANTIC CITY HAS CONCLUDED THAT UNEMPLOYMENT CONTINUES TO BE AN ACUTE PROBLEM AND THAT ANY SIGNIFICANT REDUCTION IN THE LEVEL OF UNEMPLOYMENT AMONG ATLANTIC CITY RESIDENTS WILL REQUIRE A LONG TERM COMMITMENT BY THE STATE, LOCAL GOVERNMENT AGENCIES, AND THE CASINO INDUSTRY ITSELF. FOR THE FIRST QUARTER OF 1980, LOCAL UNEMPLOYMENT STOOD AT OVER 14 PERCENT IN ATLANTIC CITY, A PERCENTAGE THAT FAR EXCEEDS THE STATE AVERAGE.

WE HAVE ALSO BEEN TOLD THAT CASINO GAMING BRINGS WITH IT A BOOM TO THE REAL ESTATE MARKET AND TO REINVESTMENT IN BLIGHTED AREAS OF THE CITY. IT SEEMS TO ME THAT IN ACTUALITY, BLIGHTED AREAS HAVE CONTINUED TO DETERIORATE AND ONLY RECEIVE ATTENTION FROM LAND SPECULATORS WHO HAVE NO INTENTION OF BUILDING HOUSING FOR NEEDY ATLANTIC CITY RESIDENTS OR PUTTING THE LAND TO OTHER BENEFICIAL USES. THE PROBLEM OF LAND SPECULATION IS FURTHER COMPLICATED BY CURRENT REAL ESTATE ASSESSMENT AND TAXING PROCEDURES, WHICH STAGGER LAND VALUATION IN SUCH A WAY THAT LOW AND MODERATE INCOME RESIDENTS FIND THEIR LAND BEING

ASSESSED AT THREE OR FOUR TIMES ITS PREVIOUSLY ASSESSED VALUE, WHILE MANY CASINO PROPERTIES WILL NOT BE REASSESSED UNTIL 1982. IN THIS REGARD, I COMMEND TO YOUR ATTENTION A RECENT PHILADELPHIA INQUIRER ARTICLE, DATED NOVEMBER 7, 1980 WHICH MORE GRAPHICALLY THAN I DEPICTS THE PROBLEM IN THIS AREA.

BUT DISPARITIES IN TAX ASSESSMENT ONLY BEGIN TO DESCRIBE THE PROBLEMS CURRENTLY BEING EXPERIENCED BY ATLANTIC CITY RESIDENTS -- SPECULATORS ARE NOT SATISFYING THE NEED FOR DECENT HOUSING, AND MANY OF THE CITY'S RESIDENTS ARE FINDING THEMSELVES HOMELESS OR STUCK IN SUBSTANDARD HOUSING. CERTAINLY, THIS IS NOT WHAT WAS PROMISED TO ATLANTIC CITY RESIDENTS.

AS FRUSTRATED AS ARE OUR EXPECTATIONS WITH RESPECT TO THE SOCIAL BENEFITS OF CASINO GAMING, IN ANOTHER AREA OUR EXPECTATIONS HAVE BEEN AMPLY MET. THAT IS CRIME! ORGANIZED CRIME, STREET CRIME, VIOLENT CRIME, NON-VIOLENT CRIME AND JUVENILE CRIME. THE FIRST SIX MONTHS OF 1980 COMPARED WITH THE SAME PERIOD IN 1979 SHOWED AN 83 PERCENT INCREASE IN CRIME IN ATLANTIC CITY. TWO WEEKS AGO, AN UNDERCOVER STATE POLICE OPERATION RESULTED IN INDICTMENT OF 112 PEOPLE. I HAVE TESTIFIED SEVERAL TIMES ABOUT AN INCREASED ORGANIZED CRIME PRESENCE IN AND AROUND ATLANTIC CITY. AND IF THE PUBLIC TOLERANCE OF GAMING IS BASED, AS I BELIEVE, ON A BALANCE OF ITS ECONOMIC ADVANTAGES AGAINST ITS ADVERSE CRIME AND SOCIAL IMPACTS, THEN THAT BALANCE IN MY JUDGMENT IS SHIFTING TOWARD EQUILIBRIUM AT BEST.

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HOW CAN WE MOVE MORE QUICKLY TOWARD OUR GOALS? I HAVE SAID SEVERAL TIMES THAT IF ATLANTIC CITY WERE AN ELECTRICAL CIRCUIT, IT WOULD BE REGISTERING OVERLOAD! THE CITY IS SIMPLY INCAPABLE OF HANDLING THIS SITUATION ALONE. PERHAPS THE FAILURE OF THE MUNICIPALITY TO PROVIDE FOR ITS RESIDENTS CAN BE ATTRIBUTED IN PART TO THE ANTIQUATED FORM OF GOVERNMENT CURRENTLY EXISTING IN ATLANTIC CITY -- THE COMMISSION FORM. THIS FORM WAS CHOSEN BY ATLANTIC CITY RESIDENTS IN 1911.

TODAY, ONLY 263 CITIES NATIONWIDE WITH A POPULATION OF 5,000 OR MORE HAVE CONTINUED THIS FORM OF GOVERNMENT. AS IT EXISTS IN NEW JERSEY, THE NONPARTISAN MUNICIPAL COMMISSION CONSISTS OF FIVE ELECTED COMMISSIONERS. THE BOARD OF COMMISSIONERS COLLECTIVELY EXERCISES LEGISLATIVE AND POLICY AUTHORITY AND DESIGNATES A MAYOR FROM AMONG ITS MEMBERS. HOWEVER, THERE IS AN ABSENCE OF OVERALL MANAGERIAL PLANNING, AS WELL AS INADEQUATE INTERNAL ADMINISTRATIVE PROCEDURES AND FRAGMENTED DECISION-MAKING. THESE WEAKNESSES OFTEN RESULT IN DELAYED MUNICIPAL GOVERNMENT ACTION OR EVEN NO ACTION AT ALL. THIS KIND OF IMPOTENCE IS TOTALLY AT ODDS WITH THE NEED FOR STRONG GOVERNMENT IN LIGHT OF THE CITY'S SPIRALING GROWTH.

A PRODUCT OF THAT FORM OF GOVERNMENT IS THIS CITY'S SADLY DEMORALIZED POLICE FORCE, BESET BY INTERNECINE QUARRELS AND POLITICAL POWER STRUGGLES. ITS BEST OFFICERS FIND THEIR EFFORTS IMPEDED BY ITS INABILITY TO COPE WITH THE ENORMOUS NEW DEMANDS THRUST UPON IT BY CASINO GAMING. IT IS A SOURCE OF CONTINUING CONCERN ON THE PART OF THIS COUNTY'S VERY COMPETENT PROSECUTOR. -AND IT IS AS WELL TO ME. IF IT IS IN ANY WAY A REFLECTION OF OTHER CITY AGENCIES, THE PROBLEM IS SERIOUS INDEED.

BUT THE CONSEQUENCE OF THIS IS THAT THE PROMISE MADE TO ATLANTIC CITY RESIDENTS TO REBUILD THEIR COMMUNITY IS NOT BEING KEPT. THUS, THE ISSUE NOW BEFORE US IS HOW TO REFOCUS GOVERNMENT ENERGIES SO THAT THE STATE OF NEW JERSEY IS INSURING DELIVERY OF THE QUID PRO QUO FOR ACCEPTANCE OF THE CASINO INDUSTRY -- REVITALIZATION OF A MUNICIPALITY THAT WAS GASPING FOR AIR, AND FOR LIFE. I THINK THE CONCEPT REPRESENTED BY THIS LEGISLATION IS ONE ANSWER, AND IS CERTAINLY A FIRST STEP!

THE ATLANTIC REGIONAL COMMISSION, MORE THAN ANYTHING ELSE, CAN SERVE AS A VEHICLE FOR CONSTANTLY EVALUATING AND MONITORING OUR ATLANTIC CITY "SOCIAL EXPERIMENT". THAT IS ESSENTIAL IF WE ARE TO PREVENT THE JUGGERNAUT, BOOM-TOWN PACE THAT ACCOMPANIES CASINO GAMING FROM GATHERING ITS OWN MOMENTUM

AND BECOME IRREVOCABLY UNMANAGEABLE. MANY OF YOU MAY HAVE PROBLEMS WITH THE SPECIFICS OF THIS LEGISLATION, BUT THE ESSENTIAL CONCEPT OF A CENTRALIZED COMMISSION IS ENTIRELY APPROPRIATE IN ATLANTIC CITY AND PROVIDES A MECHANISM FOR COPING WITH A HOST OF PROBLEMS THAT HAVE SOMEHOW GOTTEN OUT OF HAND. OF COURSE, THE CRY THAT IMMEDIATELY GOES UP WHEN THIS SORT OF CENTRALIZATION IS PROPOSED IS THAT LOCAL CONTROL IS BEING USURPED AND THE CONCEPT OF HOME RULE IS BEING ABROGATED. I HAVE TWO SEPARATE ANSWERS TO THAT CLAIM.

THE FIRST IS THAT THE STATE'S ULTIMATE RESPONSIBILITY FOR THE GENERAL WELFARE OF ITS CITIZENS, WHILE IT CAN BE DELEGATED IN PART, CAN NEVER BE TOTALLY RELINQUISHED. IF LOCAL GOVERNMENT FAILS TO PROVIDE FOR THE NEEDS OF ITS RESIDENTS, THE STATE IS OFTEN PUT IN A POSITION WHERE IT MUST PROVIDE THE SERVICES THAT ARE WANTING. CLEARLY, THE RESIDENTS OF ATLANTIC CITY ARE WANTING.

IN ADDITION, I THINK IT'S IMPORTANT TO NOTE THAT STATE GOVERNMENT OFTEN OPERATES IN TANDEM WITH COUNTY AND LOCAL GOVERNMENT, INSTEAD OF PASSING ITS RESPONSIBILITIES TO THE COUNTIES AND MUNICIPALITIES. FOR EXAMPLE, IN THE AREA OF LAND USE, WHILE ZONING AND OTHER ASPECTS OF LAND USE RESTS WITH THE MUNICIPALITY IN THE FIRST INSTANCE, THE MUNICIPAL LAND USE LAW REQUIRES A MUNICIPAL AWARENESS OF COUNTY AND STATE LAND USE AND CONSERVATION POLICIES, AS A CONDITION

OF THE EXERCISE OF THE ZONING POWER. THE ATLANTIC REGIONAL COMMISSION WOULD NOT REPLACE MUNICIPAL OR COUNTY GOVERNMENT. IT WOULD COORDINATE DEVELOPMENT IN ATLANTIC CITY WITH PROMOTION OF STATE AND REGIONAL POLICIES; IT WOULD CENTRALIZE RESPONSIBILITY FOR SUPERVISING THE DELIVERY OF NEEDED SERVICES; AND IT WOULD REVIEW THE INADEQUACY OF SUCH SERVICES. FINALLY, IT WOULD FOCUS ON EQUALIZING ALLOCATION OF THE BENEFITS OF CASINO GAMING, PARTICULARLY WITH REGARD TO THE DELIVERY OF THESE SERVICES TO LOCAL RESIDENTS. OTHERS HAVE AND WILL TESTIFY TO THE MANNER IN WHICH THIS BILL CAN ADDRESS THESE PROBLEMS.

THE PROPOSAL EMANATES FROM THE CASINO REFORM PROCESS. IT CREATES A NEW VOICE -- THE PEOPLE -- IN THE PROCESS OF CASINO REGULATION. IT EXPANDS THE FENCE WITHIN WHICH THE DECISION PROCESS IS MADE AND FREES THE CASINO CONTROL COMMISSION TO FUNCTION AS THE QUASI-JUDICIAL BODY IT IS. IN A REAL SENSE, IT REPRESENTS THE END, FOR THE MOMENT, OF THE POST-ABSCAM CASINO REFORM PROCESS WE ENGAGED IN THIS SPRING.

THANK YOU.

The United Citizens of Atlantic City consist of 12 local civic groups:

1. The Landlords Protective Society
2. The Inlet Civic Assn.
3. South Inlet Action Comm.
4. Committee for Progress
5. Duck Town Survival Comm.
6. Bellevue Ave. Dist. Comm.
7. Comm. to Save Neighborhoods.
8. Bayfront Protective Assn.
9. Committee to Save Bader Field.
10. United Taxpayers of N. J.
11. Chelsea Neighborhood Assn.
12. Northside-Westside Coalition.

Submitted by Anthony Vecchioli,
representative of U.C. of A.C.

CITY OF BRIGANTINE

BRIGANTINE



NEW JERSEY

08203

RY
JOHN A. ROGGE, Mayor
*Director of Public Safety
and Public Affairs*

Testimony of John A. Rogge on November 20, 1980,
before the Assembly Municipal Government Committee
in Atlantic City, N.J. on Assembly Bill 1950.

PAUL SAVINO
Director of Revenue and Finance

CITY HALL
1417 W. Brigantine Avenue

J. EDWARD KLINE
*Director of Public Works,
Parks, and Public Property*

My name is John A. Rogge, and I live at 4117
Brigantine Boulevard in Brigantine, New Jersey. Phone: (609) 266-7421
On October 15th, 1980, I completed over 22 years
of service as Commissioner and Mayor of the City
of Brigantine. I also served as Secretary of the
Atlantic County Mayors' Association, Director and
Past-President of the Atlantic County League of
Municipalities, and was a Director of both the
New Jersey League of Municipalities and the New
Jersey Conference of Mayors until October 15th.

It seems to me that A-1950 represents a whole new
concept of government in New Jersey that flies in the
face of all our history of municipal and county
home rule, of faith in our local citizens and
their municipal and county electees, and of the
whole push for enlightened citizens who control
their own destinies. As such, A-1950 is a bad
bill and should be cast aside.

The "statement" with the bill is full of holes and
lacks proof in stating the need for this bill.
Our Atlantic County area has, it's true, been
presented with a whole new set of growing pains
as a result of the passage of the Casino Referendum
passage, but as an involved local citizen and official,
I see no reason whatsoever why we cannot solve these
problems at the municipal and county level.

Furthermore, I cannot see that the State, through this
new entity of the "Atlantic Regional Commission", can
show any better promise of solutions. The State efforts
through the Pinelands Commission and the Environmental
Agencies and the Court and Criminal and Juvenile Agencies,
etc., etc. have demonstrated no such abilities that would
lead me to believe that they can do any better in solving
these problems than we who are at the local level.

CITY OF BRIGANTINE

BRIGANTINE



NEW JERSEY

08203

Ex -

JOHN A. ROGGE, Mayor
*Director of Public Safety
and Public Affairs*

PAUL SAVINO
Director of Revenue and Finance

J. EDWARD KLINE
*Director of Public Works,
Parks, and Public Property*

Even though the Atlantic Regional Commission has been proposed with 11 members, only five will apparently come from Atlantic County (the Atlantic County Executive, the Atlantic City Mayor, and three residents), so outsiders who do not have any direct interest in...or direct knowledge of...our area will be in complete control!

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Furthermore, the bill states that the Governor must receive copies of all minutes and actions of the ARC and can veto any such ATC actions within 10 days. That, in my opinion, places far too much power in one person's hands, and should be eliminated.

In Section 7, par. 11, the bill says that the Commission must develop comprehensive programs for "Housing, employment, transportation, health care, and other social services". I can see no need for the Commission's charge with transportation when the State Legislature just completed passage of bills establishing the Atlantic County Transportation Authority to handle this task. That would be a duplication of jobs that would lead to extra costs and problems.

This same Section 7, in par. 13, also empowers the Atlantic Regional Commission to "administer the intermunicipal tax sharing program" by stepping into our 23 county municipalities and grabbing half our new revenues from new tax ratables to spend as the Commission sees fit under great powers such as "the exercise of eminent domain" in par. 16. This is far too much interference in our municipal affairs, especially at a time when we struggle with the limiting factor of the State "5% Cap" Law and need every dime we can get to meet our local budget necessities.

Another dramatic power grab for the Commission appears in Section 8, par. a, where it states that "the Commission may acquire by condemnation any real or personal property....by public or private sale, with or without public bidding, notwithstanding the provisions of any other law"! That's a terrifying power grant to an unknown new costly government agency!

21X

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CITY OF BRIGANTINE

BRIGANTINE



NEW JERSEY

08203

24-
JOHN A. ROGGE, Mayor
*Director of Public Safety
and Public Affairs*

PAUL SAVINO
Director of Revenue and Finance

J. EDWARD KLINE
*Director of Public Works,
Parks, and Public Property*

Another power grab that I think atrocious lies in Section 3, par. b, where it states that "The Commission with regard to any low or moderate income housing project in the County of Atlantic....may waive the requirement for a municipal resolution reciting that there is a need for low and moderate income housing projects in a municipality, as would otherwise be required by Section 3 of Chapter 275 of P.L.1977 (C.40:37A-102) and Section 6 of Chapter 31 of P.L. 1967 (C.55:14J-6)." Our whole system of government in New Jersey has been based on the fact that the local municipality knows whether or not it needs such housing projects, and we see no need to have this new Commission even infer that it knows better or could do a better job in providing it.

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Other dictatorial powers that would be granted to the Commission come under Sec. 9(d), where the Commission must approve any State funds that are spent for capital projects within the district..... and under Section 11, where "Any Variance granted by the Atlantic City Zoning Board shall not take effect until reviewed and approved by the Commission". This would make a mockery of local government and would open the doors for similar power grabs in other communities of New Jersey for other purposes.

In the realm of Section 12, where this new Commission intrudes into the already existing powers of the Casino Control Commission...as under Section 12 (b), for example, there it states that the "Casino Control Commission shall incorporate the recommendations of the Commission as conditions of a casino license unless it establishes good cause in writing for failing to do so"...or as under Sec. 22, where it requires each Casino licensee to pay the 2% gross revenue tax into the Atlantic Investment Pool which is to be controlled by the Commission.... I can see no justifiable reasons for this. The Casino Control Commission has adequate powers now and has been doing an admirable job in carrying out its functions, so we see no need for another layer of governmental interference that will only complicate things and cost us more money and add to the current self-defeating trend towards excessive governmental regulation.

CITY OF BRIGANTINE

BRIGANTINE



NEW JERSEY

08203

28-
JOHN A. ROGGE, Mayor
*Director of Public Safety
and Public Affairs*

PAUL SAVINO
Director of Revenue and Finance

J. EDWARD KLINE
*Director of Public Works,
Parks, and Public Property*

Under Sec. 23 (e), each Casino applicant must furnish "a housing opportunity plan which shall describe in sufficient detail how employees of the proposed casino facility will be housed and how any deleterious impacts of such facility on the housing market will be mitigated". I submit that this burden should not be placed on the casinos any more than we place such a housing burden on any new industry or factory that moves into the area. The casinos should be charged with running their casinos properly, and matters of housing should be left to the ~~balance~~ of the building and real estate and local housing administrations and agencies. Let each one do what he knows best!

CITY HALL
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But the basic problem with A-1950 is that it flies directly in the face of the current trend in government as demonstrated in the whole tide of citizen voting..all over the country and including New Jersey...on November 4, 1980! At that time, it seems to me, the voters stated their belief in their unhindered capacity to make their own decisions and carry them out at the local level...in their town councils and their school boards or whatever....and that it is this local experience in self-government that underlies our nation's...and our state's...political health! Any far-sighted person should do everything possible to strengthen local self-government, and not attempt to weaken it, or end-run it, as A-1950 would do.

Our Governor, and the sponsors of A-1950, seem to be flying in the face of this new trend in government, but I sincerely hope that your Committee will consider these facts and bury A-1950 with appropriate funeral rites.

Thank you for the privilege of speaking these concerns to you this day.

23x

4 of 4

TESTIMONY OF
LOUIS J. GAMBACCINI
COMMISSIONER OF THE
DEPARTMENT OF TRANSPORTATION
BEFORE THE ASSEMBLY
COMMITTEE ON MUNICIPAL
GOVERNMENTS

November 20, 1980

Mr. Chairman and members of the Municipal Government Committee. I want to thank you for inviting me to speak before your committee today on the Atlantic Regional Commission Act and on a subject which has concerned me since the inception of casino gambling in Atlantic City--the ability of this region to effectively meet the increasing demands on the transportation facilities brought about by casino gambling. Before I comment on this bill I would like to make some remarks concerning transportation needs of the Atlantic County region. As we all know, the development of the casino industry has brought a large influx of visitors and new employees into Atlantic City. In a recent study done by Day & Zimmermann, Inc., and Design/Management, Inc., various growth projections were made. The number of visitors to Atlantic City based on a forecast of twenty operating casinos in 1985 and twenty-six in 1990, was estimated at 4.2 million in 1980, rising to 21 million in 1985 and 25 million in 1990. Others have estimated as much as 27 to 30 million visitors by 1990.

Additionally, the employment market in Atlantic City will grow dramatically over the next decade resulting in a total of 195,000 new jobs. Population in Atlantic County is expected to rise from 175,000 in 1970 to over 200,000 in 1982 and over 375,000 by 1990. The regional population (within 60-70 miles of Atlantic City) will increase by 26 percent from 1980 to 1990.

What these estimates mean is that over the next decade the region will require major changes in its transportation system if it is to provide access to Atlantic City for visitors and commuters alike. Neither Atlantic City and County officials and representatives nor State officials have remained idle while this growth has occurred. We have all worked to put together the basic building blocks of a good regional transportation system to meet the region's needs. Senator Perskie recently sponsored a bill, which my Department and local officials worked on with him, to establish an Atlantic County Transportation Authority (ACTA) to preserve, improve and develop the County's transportation system. Governor Byrne signed the bill this summer, and the Board of Directors (including my designee to the Board) have been meeting since the law was enacted to begin the important but complex process of rationalizing and improving service in the County.

Another effort that has been undertaken is the examination of the State's rail line between Atlantic City and Lindenwold, connecting to the Amtrak system in Philadelphia, as a high speed intercity rail system. Congressman James Florio of the Camden area was successful in obtaining funding for a federal study of the feasibility of this service and my Department and Atlantic County are participating in this effort. Recently, the Federal Railroad Administration issued a preliminary study of

rail corridors throughout the country to determine their potential for future development and listed this corridor as ranking second in the country to receive federal funds for capital improvements.

However, in order to determine how best to coordinate the projects and proposals for transportation systems in Atlantic County to accommodate the substantial increase in traffic, it has been recognized by Atlantic County officials and our Department that there needs to be established an institution to coordinate transportation projects and to plan improvements. For example, some of the proposals offered are very costly--a downtown people mover system to provide connections from parking lots to casinos would cost hundreds of millions of dollars, a high-speed rail line would also be expensive, and multi-tiered parking garages to accommodate the large influx of visitors would be quite costly. However, even under the most expansive view of available funds, all these proposals could not be funded. Therefore, the planning and coordination of projects must be done by some agency which has the full participation of local and State officials.

We have held many discussions with local officials to determine what mechanism would be most appropriate to carry out this function. Since the 1960s regional transportation planning has been accomplished by the Atlantic City Urban Area

Transportation Study (ACUATS) Organization. It provides a local forum for the discussion of regional transportation problems but it has been criticized for its inability to deal effectively with the transportation problems associated with casino development. The functions accomplished by ACUATS is important, particularly since it satisfies the federal requirements for a metropolitan planning organization to review and approve transportation projects before such projects may receive federal funds. We have been looking at ways to improve and strengthen this type of regional transportation planning.

Recently, Governor Byrne introduced a bill entitled the Atlantic Regional Commission (ARC) Act which would establish a commission to act as a coordinator of regional programs and policies for, among other matters, transportation. We view this bill as a very positive step in achieving the kind of coordination which will help make transportation programs more effective and in improving regional planning. I want to mention, in particular, that under the law creating the new Atlantic County Transportation Authority, there is a requirement that it develop a master plan for its own programs which has to be approved by an independent planning agency to be selected by the Commissioner of Transportation. I believe this can be accomplished in a manner consistent with, or as part of the proposed Atlantic Regional Commission.

It is my hope that with the institutional framework which has been created with the Atlantic County Transportation Authority, coupled with the new Atlantic Regional Commission, the building blocks for dealing with the transportation problems of the Atlantic region will be completed and we can get on with the difficult but challenging task ahead.

Testimony of
David N. Kinsey
Director, Division of Coastal Resources
New Jersey Department of Environmental Protection

on

A-1950, "Atlantic Regional Commission Act"

before the

Assembly Committee on Municipal Government
Public Hearing, November 20, 1980
City Hall, Atlantic City

Introduction

Mr. Chairman, members of the Committee. Thank you for this opportunity to share with you the views of the Department of Environmental Protection, and particularly its Division of Coastal Resources, on A-1950, a bill that would create an Atlantic Regional Commission.

The Atlantic Regional Commission would be a new cooperative agency, bringing together the state, county, and municipal levels of government in Atlantic County to address a specific set of regional needs, caused by casino-related development, that have to date defied resolution. The bill carefully targets selected regional development issues -- particularly the need for affordable housing, social services, and public facilities, as well as coordinated state, regional, county, and municipal planning -- and makes appropriate institutional and statutory changes to achieve those focused objectives.

This is not a "super agency", although it is another agency. Rather, the proposed Atlantic Regional Commission and the amendments in A-1950 to the Casino Control Act will provide a specialized regional approach, from the State perspective, to the regional problems created by the people of the entire state when the economic forces of casino development were unleashed on Atlantic City and its surrounding region.

DEP supports this bill, which will help DEP work with other public agencies at all levels, the private sector, and citizens, to insure that the natural and built environment of this region is properly protected while accommodating needed development to carry out the revitalization of this city and its region.

DEP plays an important role today in facilitating the proper development of this region. Indeed, two days after the successful 1976 referendum authorizing casino gambling, DEP Assistant Commission Graham and I met in Atlantic City with local and county officials, including legislators, to extend a hand of assistance. The pace of development, the complexity of issues, and the number of key actors has exceeded our wildest dreams of four years ago.

Since 1976, the Division of Coastal Resources has approved coastal construction permits under the Coastal Area Facility Review Act of 1973 (CAFRA) for 12 casino-hotels, denied one CAFRA permit for a casino, is today reviewing pending CAFRA permit applications

for six more casinos, and has had pre-application conferences for at least ten more casinos, in addition to Resorts and Ramada which did not need CAFRA permits as they involved renovation.

Each casino employs at least 3,000 people. Pick any multiplier of direct-to-indirect jobs; the calculations are clear. Tens of thousands of jobs are being created and many more tens of thousands will be created in this region in the casino era.

But jobs bring problems and challenges as well as opportunities. Jobs mean needed housing for all incomes, from casino executives to the food service supply truck drivers; from the new school teacher to the social worker. Jobs mean needed public facilities and services, that require capital investment and continuing and increasing operating costs.

The proposed Atlantic Regional Commission will address these problems as A-1950 provides mechanisms to:

- (1) Recommend to the Casino Control Commission methods for casino license applicants to provide financial support to meet the region's public facility and social service needs,
- (2) Carry out a regional capital investment program, channeling State and State-administered federal funds as well as casino reinvestment tax funds to priority needs,

- (3) Share tax revenues and the costs of schools and publicly-assisted housing among the county's municipalities to avoid an undue bonanza or fiscal crisis in any town, and
- (4) Acquire sites for needed health care and social service facilities.

The Division of Coastal Resources, acting under the Coastal Area Facility Review Act, also regulates major housing, mixed use, and parking developments in Atlantic City and the coastal region of Atlantic County, which is generally the area east of the Garden State Parkway. The several waves of development proposals that DEP has reviewed, and in most cases approved, in the last four years show that the private sector and key public agencies are responding, at least selectively, to the region's needs for housing, commercial facilities, and parking. A few statistics will demonstrate this point and point out the as yet unmet regional needs that the proposed Atlantic Regional Commission would squarely address.

Additional publicly-assisted housing in Atlantic City, for families and senior citizens, under the Section 235 interest subsidy and Section 8 rent subsidy programs, constituted the first wave of post-casino era non-casino development. The need was obvious. Government at all levels set the wheels in motion. DEP established speed records in complying with the CAFRA statutory requirements and

approving the projects. And people are today living in new apartments. Yet there has been no new assisted housing built outside of Atlantic City, a city with one of the highest percentages in the nation of assisted housing. And much more assisted housing is needed for families and senior citizens to provide shelter for the still under housed, as well as those attracted to this region by the lure of jobs.

While the Legislature has recently entrusted the existing Atlantic County Improvement Authority with new housing finance and housing development powers (P.L. 1979, c. 275; c. 40:37A-106 et seq.), that county agency has not yet acted to enter the housing field. The Authority is nearing completion of a search for an executive director skilled in housing matters; which will make that agency an active partner for DEP and others in shaping the detailed housing strategy this region needs. A-1950 addresses one of the stumbling blocks that could stymie the development of low and moderate income housing needed by the region, by authorizing the Atlantic Regional Commission to waive the requirement of a municipal "resolution of need". This critical tool should be used sparingly and only as a last resort if cooperative efforts to implement a regional housing strategy fail.

The coastal region of Atlantic County stands today at the take-off point of a major building boom. Since only Labor Day 1980, DEP's Division of Coastal Resources has approved CAFRA construction

permits for about 10,000 new dwelling units in planned unit developments, high rises, clusters, and mixed use developments, including the first totally privately financed major new housing in Atlantic City in more than seven years. At the same time, the Division of Coastal Resources has denied two CAFRA permits recently, for projects either located or designed in a manner that violate the State's adopted coastal policies. These approvals and denials have not been without controversy. A dozen local and national environmental and public interest groups have appealed to the Commissioner, my decision conditionally approving the CAFRA permit for the Towne of Smithville in eastern Galloway Township and Port Republic, a 2,100 acre, 7,000 unit project with a 12 year build out period. The Division of Coastal Resources also recently denied a CAFRA permit for a high rise at a hazardous site in and over Absecon Inlet in Atlantic City. That project required and received several variances at the local level.

A-1950 astutely addresses both of these concerns. First, the Atlantic Regional Commission would exercise its powers in a manner consistent with the federally approved coastal management program, administered by DEP, and not attempt to fashion still another set of land use policies or performance standards for this carefully regulated region. Second, the Atlantic Regional Commission would have an oversight responsibility for zoning variances granted in Atlantic City. This key provision should dampen the

presently rife land speculation and provide an incentive for the City to revise and update its master plan and zoning ordinance systematically, rather than in a de facto piecemeal manner through sometimes seemingly whimsical zoning variances.

A-1950 also addresses another common problem of government, coordination. Myriad state, regional, county, local, and even federal agencies share responsibility for the destiny of the Atlantic City region. DEP is one of those agencies. We have participated in the past in efforts such as the Cabinet Committee on Atlantic City, as well as numerous more informal task forces and informal cooperative efforts among governmental agencies. A-1950, by virtue of the balanced membership of the Atlantic Regional Commission, will provide a vital, regular forum for state, regional, and local interests to debate and decide on a key set of regional development issues.

DEP will willingly submit itself to the discipline of investing capital funds, under our Shore Protection, Green Acres, Wastewater Treatment Facilities, and other capital programs, according to the priorities of the regional capital investment plan to be prepared and implemented by the Atlantic Regional Commission. While this provision may make even more complex the current process for capital investment by the State, that risk is acceptable due to the crying need to target wisely public and private capital resources including the 2% casino reinvestment tax, to meet the region's needs.

DEP also supports the provision of A-1950 that adds clarity to the present informal system of State agency advice to the Casino Control Commission, by requiring that Commission to incorporate the recommendations of the Atlantic Regional Commission on casino license conditions, unless it establishes good cause in writing for failing to do so.

Finally, let me close with a few words on the existing county level institutions in this region. Casino gambling has focused the eyes of the nation on this State, this region, and this city. While the casinos are limited to the City itself, the problems and development needs most certainly are not. The regional approach is an obvious part of the solution.

Atlantic County has a strong elected County Executive form of government. The Atlantic County Sewerage Authority has built and now operates a 40 million gallon per day (MGD) wastewater treatment plant. The Atlantic County Improvement Authority has financed and built important public works, and will soon be entering aggressively the housing development area. Last spring, the Legislature passed important legislation that led to the creation of the Atlantic County Transportation Authority, which is expected to plan, design, finance, build and operate all public transportation services and facilities, from existing public parking garages in this City, to a regional bus system, transportation center, and other types of

transportation. The County has recently completed a draft County Master Plan. And between DEP, the Pinelands Commission, and the Casino Control Commission, state level interests in proper regional development patterns and land uses are adequately protected.

What is needed is a specialized group to knit together these various efforts, provide a forum to discuss and resolve common concerns, and insure the proper development and protection of the built, economic, social, and natural environment of this region. DEP looks forward to participating vigorously towards that goal as a member of the Atlantic Regional Commission.

I will be glad to answer any questions you may have. Thank you.

TESTIMONY BY WILLIAM J. DOWNEY, EXECUTIVE DIRECTOR, ATLANTIC CITY CASINO HOTEL ASSOCIATION, TO THE ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE, ATLANTIC CITY CITY HALL, NOVEMBER 20, 1980, ON ASSEMBLY BILL 1950.

GOOD AFTERNOON, AND THANK YOU FOR PROVIDING ME WITH AN OPPORTUNITY TO SPEAK ON ASSEMBLY BILL 1950. I AM WILLIAM J. DOWNEY, AND I AM HERE IN MY CAPACITY AS EXECUTIVE DIRECTOR OF THE ATLANTIC CITY CASINO HOTEL ASSOCIATION. THE ASSOCIATION SERVES AS THE TRADE GROUP THAT REPRESENTS THE INTERESTS OF THE CASINO/HOTEL DEVELOPERS WITH HOLDINGS IN ATLANTIC CITY. TODAY, OUR ASSOCIATION HAS 18 MEMBERS, REPRESENTING NEARLY 2.75 BILLION DOLLARS IN PROJECTS EITHER OPERATING, UNDER CONSTRUCTION, OR BEING PLANNED FOR ATLANTIC CITY.

I REALIZE THAT YOU ARE PRESSED FOR TIME, AND I WILL KEEP MY REMARKS BRIEF.

THE CASINO HOTEL INDUSTRY IS VIGOROUSLY OPPOSED TO A-1950. WE OPPOSE THIS BILL BECAUSE IT WOULD ADD YET ANOTHER LAYER OF GOVERNMENTAL BUREAUCRACY AND RED TAPE OVER AN ALREADY CONFUSING AND CUMBERSOME PROCESS OF RECEIVING APPROVALS TO CONSTRUCT OUR FACILITIES IN ATLANTIC CITY. IN ADDITION, WE FEEL THE GOVERNMENTAL OFFICES ALREADY ARE IN PLACE WITH WHICH TO BRING ABOUT THE COMPREHENSIVE REDEVELOPMENT OF THIS AREA WITHOUT ANOTHER STATE AGENCY BEING CREATED. SPECIFICALLY,

THE CITY PLANNING AND HOUSING BOARDS HAVE THE PROFESSIONAL EXPERTISE TO MOVE PROJECTS ALONG IN THE DEVELOPMENTAL PHASE; THE COUNTY HAS ITS IMPROVEMENT AND TRANSPORTATION AUTHORITIES WITH WHICH TO COORDINATE REGIONAL NEED AND ALLOCATE RESOURCES; THE STATE HAS ITS D.E.P. AND PINELANDS COMMISSION TO SCIENTIFICALLY PROTECT OUR PRECIOUS ECOSYSTEM OF SEASHORE AND PINE FORESTS, AND ENHANCE OUR QUALITY OF LIFE; AND THE CASINO CONTROL COMMISSION AND DIVISION OF GAMING ENFORCEMENT, WHICH OVERSEE OUR TOTAL PROJECT DEVELOPMENT EFFORTS AND ENSURE COMPLIANCE WITH CITY AND COUNTY MASTER PLANS, AND APPLICABLE LAWS AND REGULATIONS. THE CASINO CONTROL COMMISSION ALREADY IS CHARGED WITH ACTING AS THE LEAD AGENCY IN BRINGING OUR INDUSTRY TO MATURITY IN ATLANTIC CITY, AND DETERMINING HOW SUCH BENEFITS AS THE 2% REINVESTMENT TAX CREDIT SHOULD BE USED. WE BELIEVE THE COMMISSION AND DIVISION OF GAMING ENFORCEMENT HAVE DONE A GOOD JOB IN WORKING WITH US IN WHAT IS A TREMENDOUS TASK, AND WE HOPE THE CASINO CONTROL COMMISSION AND DIVISION OF GAMING ENFORCEMENT WILL CONTINUE IN THIS ROLE.

OUR INDUSTRY ALSO WISHERS TO MAKE CLEAR, IN THE STRONGEST TERMS, OUR OPPOSITION TO ANY FURTHER FINANCIAL OBLIGATIONS BEING PLACED UPON OUR MEMBERS. I CALL YOUR ATTENTION TO THE FACT THAT A-1950 WOULD

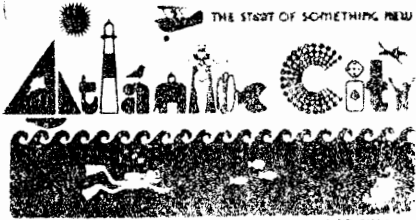
LEVY ADDITIONAL FEES UPON THE INDUSTRY TO SUPPORT THE SO-CALLED
SUPERAGENCY IN TOTO. ALREADY, WE SUPPORT ENTIRELY THE CASINO CONTROL
COMMISSION'S EXPENSES AS WELL AS THE COSTS INCURRED BY THE DIVISION
OF GAMING ENFORCEMENT'S INVESTIGATIVE FUNCTIONS. THIS IS A \$22
MILLION DOLLAR A YEAR EXPENSE FOR OUR MEMBERS AND IT APPEARS THAT
FIGURE IS GOING TO BE EVEN HIGHER IN THE IMMEDIATE FUTURE. I ALSO
WISH TO ADD THAT THE INDUSTRY, THROUGH THE 10% GAMING TAX ON GROSS
WINNINGS, HAS PROVIDED THE STATE WITH \$104 MILLION IN REVENUES TO
DATE, WHICH SUPPORTS THE SENIOR CITIZENS' PROPERTY TAX REBATE AND
\$125 ENERGY CREDITS FOR RETIREES AND HANDICAPPED PERSONS. THE INDUSTRY
ALSO IS ASSESSED A 9% CORPORATE TAX BY THE STATE, AND EACH FACILITY
GENERATES WELL OVER \$1 MILLION YEARLY IN PERSONAL INCOME TAXES TO
NEW JERSEY THANKS TO THE THOUSANDS OF NEW JOBS WE HAVE BROUGHT TO
ATLANTIC CITY. AT THE MUNICIPAL LEVEL, THE CASINO/HOTEL INDUSTRY
LAST YEAR PAID OVER \$12 MILLION TO THE CITY IN PROPERTY TAXES. OUR
TOTAL INVESTMENT IN ATLANTIC CITY WILL SHORTLY TOP THE \$1 BILLION
MARK, AND ANOTHER \$1.3 BILLION IN PROJECT IS NOW IN VARIOUS STAGES
OF PLANNING.

I'M SURE THE COMMITTEE CAN APPRECIATE THE TREMENDOUS COSTS OF TRYING TO BUILD AND OPERATE SUCCESSFULLY TODAY IN SUCH AN UNCERTAIN ECONOMY. I, LIKEWISE, AM SURE EACH OF YOU CAN SEE THAT OUR INDUSTRY, THROUGH ITS INVESTMENT, PURCHASING, AND TAXES, HAS REALLY BEEN A TREMENDOUS PLUS, NOT ONLY FOR ATLANTIC CITY, BUT FOR THE ENTIRE SOUTH JERSEY REGION AS WELL AS FOR THE STATE ITSELF. JUST A MOMENT AGO I TOLD YOU THAT THE LION'S SHARE OF THE INVESTMENT POTENTIAL FOR THIS INDUSTRY IS STILL WAITING TO BE COMMITTED TO ATLANTIC CITY. HOWEVER, I MUST CAUTION THIS PANEL THAT THE INDUSTRY'S PROFITABILITY, AND THE COMPETITION JUST STARTING TO COME ON-LINE, WILL HAVE A TELLING EFFECT ON FUTURE PROJECTS BEING SLATED FOR ATLANTIC CITY. IT WOULD BE IMPROPER TO EXPECT THE INDUSTRY TO SUPPORT ANY FURTHER GOVERNMENT REGULATION THROUGH FEES, ESPECIALLY SINCE THESE FEES, AS OUTLINED IN A-1950, ARE OPEN-ENDED AND VOID OF ANY "SUNSET PROVISION." THE EFFECT OF THIS MEASURE WOULD BE TO FURTHER DAMPEN INTEREST IN BUILDING IN ATLANTIC CITY, AND WE ALL WOULD BE THE BIG LOSERS IF JUST ONE PROJECT IS LOST TO ANOTHER JURISDICTION. NOT ONLY THE JOBS, BUT THE TREMENDOUS CAPITAL OUTLAY AND THE SUBSEQUENT GAMING REVENUES WOULD BE TOO HIGH A PRICE TO PAY FOR THE SAKT OF A SUPERAGENCY.

TO SUM UP MY TESTIMONY, LET ME URGE THIS COMMITTEE TO WORK FOR LESS
RED TAPE, AND TO HELP THIS AREA MEET ITS NEEDS PRIMARILY THROUGH THE
PRIVATE SECTOR WITH THE GUIDANCE AND ADVICE OF EXISTING GOVERNMENTAL
AGENCIES. I NEED ONLY REMIND YOU OF THE RINGING REJECTION OF BIG
GOVERNMENT WHICH THE VOTERS OF THIS STATE AND THE ENTIRE COUNTRY
LEVELED JUST THIS PAST ELECTION DAY. THE CASINO/HOTEL INDUSTRY STANDS
READY TO MAKE THIS AREA EVEN MORE PROSPEROUS AND FULFILLING FOR OUR
EMPLOYEES AND THEIR FAMILIES AND FRIENDS. PLEASE GIVE US THE HELP
WE NEED, NOT IN THE FORM OF A GOVERNMENTAL OCTOPUS, BUT RATHER BY
GIVING THE CASINO CONTROL COMMISSION YOUR CONFIDENCE, AND ALLOWING
HOME RULE TO PROVIDE THE STATE WITH THE TOOLS IT NEEDS TO GET THE
JOB DONE.

THANK YOU FOR YOUR ATTENTION. IF YOU HAVE QUESTIONS, I'D BE HAPPY
TO ANSWER THEM.

GREATER



CHAMBER OF COMMERCE

10 Central Pier, Atlantic City, N.J. 08401
(609) 345-5600

November 20, 1980

POSITION STATEMENT

Regarding ASSEMBLY BILL a-1950,
"The ATLANTIC CITY LEGAL COMMISSION Act"

by

The GREATER ATLANTIC CITY CHAMBER OF COMMERCE

Before

the

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

At

Atlantic City, N.J.

November 20, 1980

44X

CONCEPTUAL SUMMARY - A-1950 (Atlantic Regional Commission)

1. Regional body viable if mission is to coordinate State's conflicting policies in this area; not valid if purpose is to displace local controls and/or home rule
2. We oppose creation of more autonomous, non-accountable, State agencies to act as rulemaking bodies affecting local development. State should instead focus on providing assistance to local bodies addressing area problems.
3. Judging by the focus of this bill, this is another attempt to spend casino money to address social problems -- it fails to address the issue of assisting casino developers succeed so that they will generate sufficient taxes to pay for programs to correct social problems. Result may well be so great a burden on casino operators that casino growth stops and we fail to achieve original objective of rebuilding the area economy.
4. There is no intent in this bill to review and correct excessive and conflicting State regulations, restrictions, and limitations. Rather, it seeks to solve many bureaucracy-induced problems by creating yet another bureaucracy!
5. This bill usurps the prerogatives of the Atlantic City Zoning Board, Atlantic City Planning Board, Atlantic City Board of Commissioners (re: Master Plan), and Atlantic County Planning Board and Board of Chosen Freeholders (re: Atlantic County Master Plan). There is no justification for this. Erroneous or illegal actions by any of these bodies should be challenged in a court of law. We agree that we may need greater cooperation between them, but State should assist in such an effort, not usurp the authority itself!
6. Giving a new agency powers to direct the Casino Control Commission as to what restrictions it should place on casino developers trying to qualify for licensure is inappropriate. Considerable thought should be given to the easily-adopted premise that "casinos have caused growth and thus should themselves pay all costs of modifying our infrastructures to service the new needs" before we adopt such a premise as gospel. Placing such precedent-setting responsibilities on this still-new industry may "break the camel's back" and kill this goose before any eggs are laid. Why cannot the State work to help this industry succeed and profit, so that additional tax revenues can be generated to solve social problems? Our approach seems always to be to place the burden unfairly, rather than accept government's responsibility to use property taxes to spread the cost among all who will benefit. A prime cause of increasing housing costs is the State government's own Pinelands growth moratorium -- yet the State attempts to blame the casino industry!

7. The concept of pooling property taxes within Atlantic County may have merit, but such a concept should not be adopted in open-end fashion. Instead, specific proposals for why this is necessary, identifying where the funds will come from, addressing the kinds of needs which will be met through revenue-distribution and their relative priorities -- all should be debated prior to giving such power to a new agency. We believe we are overlooking the operational needs of Atlantic City in favor of the politically appealing "social needs" concepts.
- 8.. Re-direction of the 2% reinvestment tax credit away from renovation and upkeep of tourist/convention/visitor - related investments toward social service needs is extremely unwise, and fails to look past superficial "needs" at what the long-term impacts of such a policy change would be. Efforts already made to redirect this reinvestment credit are also poorly conceived and should be returned to the original intended purpose as stated in the Casino Control Act.
9. Property tax revenues generated in Atlantic City should not be pooled or shared until the problems caused directly within Atlantic City as a result of such rapid growth have been solved.
10. In looking for quick solutions to problems generated as a result of rapid growth in this region, the State should also examine the critical need to make one-time exceptional modifications to the budget caps law for those municipalities which are facing extreme and extraordinary growth -- which are quite clearly definable in contrast to the balance of communities within the State. Their budgets should be adjusted upward to match their present or future budgetary demands for services once they stabilize -- and then again come under the 5% cap.
11. We do not favor the socialistic reasoning in this bill which states that, in essence, this new agency is needed so that "the development and benefits of casino gaming (can) be fairly allocated among all municipalities and income groups". The Casino Control Act itself specifies the will of the voters of this state in this area, and provides a revenue stream to pay for such programs. We find it unacceptable for property tax revenues to be redistributed before the municipal burdens of this growth have been addressed in the City of Atlantic City itself.
12. The makeup of a regional body such as this should be primarily that of local municipal and county elected officials, serving ex-officio, perhaps augmented in the minority by State Government representatives. The majority should not be subject to political appointment by the Governor, nor should this body be permanent, or heavily staffed. It should serve temporarily, until things get settled, in an ad hoc capacity, and then be dissolved. We also question whether it ought to have any powers, rather than be advisory.
13. The financial disbursement priorities of the intermunicipal property tax sharing plan seem arbitrary. We believe they may vary significantly from what priorities the local municipalities and county would elect. They should be set locally -- not by the legislature.

A-1950: The Atlantic Regional Commission

CONCEPTUAL REVIEW

The Greater Atlantic City Chamber of Commerce feels the concept of creating a regional body capable of reviewing and integrating the State's programs in the Atlantic County area is a valuable concept. However, we feel the direction of such a body should be toward resolution of the present conflicts created by each of the State's present departments and agencies independently setting rules affecting Atlantic County, without regard for the combined effects of these rules together.

Specifically, if a regional body were created which would require the Department of Labor and Industry and Department of Environmental Protection to develop a mutually acceptable compromise position on the development of the Atlantic City area, with the objective being to meet the goals of the Casino Control Act's "Introduction" (namely, to attract new investment and business to redevelop the area's economy and create jobs), then we could accept the concept of creating such a regional commission.

We oppose this bill in its present form because its primary purpose seems to be to create a new state agency, protected from accountability to the electorate and autonomous from any existing state Department, which would be accountable only to the Governor. As proposed, this new agency would focus on serving the needs of the elderly, the poor, the unemployed -- all non-productive segments of our population -- at the expense of further shackling the only long-range hope we have to actually solve the problems of these segments: building a viable economy which can generate the tax revenues to pay for programs to meet the needs of these groups.

We have so many present State-initiated restrictions and regulations, which have not been reviewed from the perspective of their combined effects to discourage business growth and investment, that we need a regional body with responsibility for oversight to correct overlap and unnecessary restraints on business. We do not need additional restraints. We fear that we are walking dangerously close to the point in time when investors decide the lessening profits to be made here are not worth the costs involved to go into business in New Jersey. If this occurs, both the loftiest social goals and the bottom-line survival social needs will fail to be met.

We could accept a regional body whose mission included responsibility for assisting business to solve many of the problems which have arisen -- rather than taking the negative position of having such a body require business to solve these problems alone...or else. We feel this could achieve greater results than the present attitude which seems to point a finger of blame on business for having the audacity to invest in our state.

We object to and oppose those elements of this bill which would give the State final say over local zoning and planning decisions. If actions by these bodies are wrong, we feel they should be contested in a court of law, as provided under present state law...not "corrected" by State Department heads serving on such an

independent body as this proposed Atlantic Regional Commission.

We do not feel it appropriate that a new and separate body have the power to direct the Casino Control Commission to apply certain restrictions to licensure of casino applicants. Such a body might make recommendations, but we feel the decisions should be left to the body charged with achieving the redevelopment of the area and with protection of the public interest from crime -- not with a social agency.

The pooling of real property taxes within Atlantic County might have merit, but before we could accept such a provision we would insist upon a revision of the priorities for the disbursement of such revenues. The present Casino Control Act responsibly recognizes that the first priority in the use of funds under the reinvestment tax credit element of the Act is to insure that the industry generating such significant tax revenues for the state is maintained and improved -- so that it will be more successful and generate more taxes. It is a false and very damaging change to seek short-term revenue from this source to solve social problems, and let the reinvestment incentive to business, designed to insure that the past failures to maintain the quality standards of our hotels are not repeated, be lost. For such short-term benefit, we may be dooming ourselves to long-term failure -- especially if we examine (which we so far have failed to do) the likely motivations to private enterprise when other options for investment open up as more states legalize casino gaming. Businesses will have to decide whether to invest profits in another state where the profits can generate still more income, or to re-invest after-tax profits here, to maintain present profits. It is quite likely that national firms will elect to put their after-tax profits elsewhere. The reinvestment tax insures that funds are voluntarily spent here...or lost as a mandatory tax surcharge. These funds were originally intended to maintain or improve the area's operations -- to keep us competitive with other areas. Yet already, these funds are being diverted to other uses, resulting in short-term gain at the very likely long-term damage to our area. This bill would totally divert these funds, and completely obviate the original, brilliant, concept of reinvestment.

Further, regarding tax-revenue-pooling, we feel funds should not be used to fund projects outside of Atlantic City until the critical immediate impacts and problems caused to the City by this growth have been met and corrected with this revenue. Our whole area's future is dependent upon the success of Atlantic City, and we feel monies should first be spent to insure that success (which will generate the income in the future to solve problems elsewhere). If funds are diverted too soon, we may start to solve problems elsewhere, but cause the failure of our economic base in the process -- which would certainly cause devastating problems for outlying areas which would vastly overshadow the short-term improvements we spent the money to achieve.

As an example, we might more favorably view tax-sharing if the State would recognize and correct the inequities which have so seriously hindering Atlantic City through the budget cap law now. The budget cap was initiated in Atlantic City at a time when its economy was far smaller than it is today. Without exception, there is no other instance in this state where there has been such rapid and significant short-term growth as in Atlantic City. Yet the State has maintained the budget cap on this city, increasing only at a rate of \$1 per year from the amount imposed when the economy was nearly bankrupt. A one-time adjustment to increase the amount of the City budget so that these problems could be rationally addressed with an appropriate expenditure level would alleviate many problems, and is infinitely defensible conceptually. ~~It~~ has been rejected by the Legislature.

Correcting this problem would give the City some leeway so that consideration could be given sooner to tax-revenue sharing. But as proposed in the timetable of this bill, the concept is irresponsible. It fails to examine the regional and total implications, and concentrates instead on a short-sighted cosmetic concept that sounds nice.

The socialistic concept that "the development and benefits from casino gaming should be fairly allocated among all municipalities and income groups" was addressed in the original drafting of the Casino Control Act, and the methods to achieve this end are specified therein. It is totally unacceptable that the State Legislature now propose more bureaucratic redistribution of imagined wealth before we have addressed the municipality which has to shoulder the brunt of the impact. If any redistribution is to be undertaken, it must be prorated on the impacts being caused, and should be financed through the state's tax on gross revenue through a Constitutional amendment -- not through a program designed for implementation by a non-accountable state bureaucracy reporting only to the Governor.

The makeup of such a body should be heads of existing municipal and county agencies charged with "pieces" of the problem, perhaps with State Department heads also seated. Clearly, the majority should be with local elected officials serving ex-officio, not with state political appointees...and certainly not with political appointees from outside the impacted area!

The powers of such a body should be advisory, or ombudsmanlike -- not usurptive. It should not require a large staff, nor should it be oriented to create a permanent bureaucracy, but rather a temporary (perhaps up to five years) ad hoc body to serve during the interim period.

The priorities imposed for the "intermunicipal property tax sharing" plan are 1) public schools, 2) in-lieu-of-taxes payments for ratable revenue lost because of construction of publicly-assisted housing, 3) added tax income rewards proportionate to the quantity of "new housing units" constructed in each municipality. We see no rational justification for these financial priorities, and feel there is a great deal of Trenton-dictated policy intended which is intentionally masked and not stated within this bill. We believe the municipalities affected might well describe significantly different financial priorities than those proposed in Assemblyman Patero's bill, and we feel their needs should take precedence, consistent with recognition that the City of Atlantic City has many problems which need to be addressed using property tax revenues before any funds are "shared" with other municipalities.

* * *

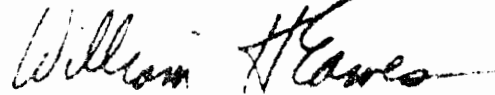
These are our conceptual concerns, developed without much advance notice upon our having discovered that the Assembly Municipal Government Committee intended to hold a public hearing on this bill. We most strongly feel that the Committee should have planned for this hearing further in advance, and should have taken greater pains to advise those who would be impacted by its enactment. We would encourage additional public hearings on this bill in Atlantic County prior to any release of the bill for action on the Assembly floor.

SPECIFICS

The Greater Atlantic City Chamber of Commerce will comment in greater detail regarding the specifics of this proposal in a written statement to be submitted within 10 days.

We again urgently ask for additional public hearings, in Atlantic County, as this bill receives further consideration. As this is written we have been advised by a number of organizations and individuals who sought to testify that there was not sufficient time scheduled today for them to be heard, and we believe it critical that you seek and obtain the greatest possible input in any issue involving so pervasive a governmental influence over local residents.

RESPECTFULLY SUBMITTED

A handwritten signature in dark ink, appearing to read "William H. Eames", with a long horizontal flourish extending to the right.

William H. Eames,
Executive Director
Greater Atlantic City
Chamber of Commerce
10 Central Pier
Atlantic City, N.J. 08401
(609) 345-5600

southern
new jersey

November 19, 1980

Assembly Municipal Government Committee
Atlantic City Commission Chambers
City Hall
Atlantic City, N. J. 08401

Re: Hearing on Atlantic Regional Commission

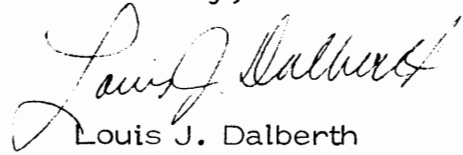
Gentlemen:

Mr. Chairman, and members of the Committee, my name is Louis Dalberth. I am the Director of the Southern New Jersey Development Council. I think it would be well for me to explain briefly what the Development Council does for the area.

The Council is a nonprofit corporation which has been in existence for more than 29 years. We are comprised of approximately 1,000 members which employ nearly 400,000 persons. Of these, 126,000 are employed in manufacturing. Our industrial, business and professional membership covers eight counties in the southern portion of New Jersey; Ocean, Atlantic, Camden, Cape May, Cumberland, Burlington, Salem and Gloucester Counties. The SNJDC has devoted a great deal of effort in attracting new industries to the area and as a result, over the past ten years have located approximately 155 major industries representing 45,000 new jobs and contributing over 475 million dollars in new payroll.

At this time the Council would like to go on record as being opposed to the creation of an "Atlantic Regional Commission" and will so state in a prepared statement to be submitted to the Committee within ten days.

Sincerely,



Louis J. Dalberth
Director

ljd:brs

51X



State of New Jersey

CASINO CONTROL COMMISSION

379 WEST STATE STREET
TRENTON, NEW JERSEY 08625

JOSEPH P. LORDI
CHAIRMAN
MARTIN B. DANZIGER
VICE-CHAIRMAN
DON M. THOMAS
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COMMISSIONERS
609-292-3144

ATLANTIC CITY OFFICE
TENNESSEE AND BOARDWALK
609-441-3200

WILLIAM F. X. BAND
EXECUTIVE SECRETARY
609-292-7730

November 26, 1980

The Hon. Vincent O. Pellecchia
Chairman
Assembly Municipal Government
Committee
State House
Trenton, New Jersey 08625

Dear Assemblyman Pellecchia:

As requested at the Public Hearing of
November 20, 1980 concerning Assembly Bill A-1950,
an Act to create the Atlantic Regional Commission,
I am enclosing a typed copy of testimony delivered
to your Committee on behalf of the Casino Control
Commission.

Thank you for the opportunity to appear
before the Committee on this matter. If I may be
of any further assistance to you on behalf of the
Casino Control Commission, please do not hesitate
to contact me.

Very truly yours,


Barbara Paulus Lampen, P.E.
Regional Planner

BPL/jck
Enc.

cc Members of the Commission
R. Benjamin Cohen, Esq., General Counsel
Joseph A. Fusco, Esq., Director

52X



State of New Jersey

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379 WEST STATE STREET
TRENTON, NEW JERSEY 08625

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ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE
PUBLIC HEARING
ASSEMBLY BILL A-1950 - ATLANTIC CITY REGIONAL COMMISSION ACT
NOVEMBER 20, 1980

Testimony of Barbara Paulus Lampen, P.P.
On Behalf of the Casino Control Commission

BRIEF INTRODUCTION

THE COMMISSIONERS HAVE NOT HAD SUFFICIENT TIME SINCE THEY WERE FIRST NOTIFIED OF THIS HEARING TO THOROUGHLY STUDY AND DISCUSS THE DETAIL AND CONTENT OF THIS PROPOSED LEGISLATION. THE COMMISSION WISHES TO ADVISE THE MUNICIPAL GOVERNMENT COMMITTEE, HOWEVER, THAT IT CONSIDERS THE MATTERS DEALT WITH IN THE LEGISLATION TO BE OF HIGH IMPORTANCE.

WHILE THE COMMISSION CANNOT COMMENT ON THE SPECIFICS OF THE PROPOSED LEGISLATION, HOWEVER, IT DOES SUPPORT A COORDINATED APPROACH TO GUIDING AND ENCOURAGING REGIONAL GROWTH.

BUT, THE CASINO CONTROL COMMISSION MUST POINT OUT, THAT THE PROPOSED LEGISLATIVE AMENDMENT TO N.J.S.A. 5:12-143(B), THAT PROVISION OF THE CASINO CONTROL ACT WHICH WOULD BE AMENDED TO PROVIDE FOR THE FUNDING OF THE ATLANTIC REGIONAL COMMISSION FROM THE CASINO CONTROL FUND, COULD EXERT A NEGATIVE IMPACT ON THE PROFITABILITY OF THE CASINO INDUSTRY.

THE CASINO CONTROL FUND IS SUPPORTED ENTIRELY BY THE CASINO INDUSTRY. BY FISCAL YEAR 1980, DESPITE SUPPORTING A CUMULATIVE 1978 - 80 CASINO CONTROL COMMISSION AND DIVISION OF GAMING ENFORCEMENT BUDGET IN EXCESS OF \$21 MILLION, THE INDUSTRY WAS ASSESSED 8.004 MILLION TO MEET A 1978 - 80 DEFICIT IN THE CASINO CONTROL FUND.

IN FISCAL YEAR 1981, THE CASINO INDUSTRY WILL BE REQUIRED TO SUPPORT, THROUGH THE CASINO CONTROL FUND, A PROJECTED BUDGET IN EXCESS OF \$25 TO AS MUCH AS \$30 MILLION.

THE FOLLOWING FIGURES ARE PROVIDED SO THAT MEMBERS OF THE MUNICIPAL GOVERNMENT COMMITTEE MAY HAVE A SENSE OF HOW THESE COSTS AFFECT THE NET INCOME OF THE FOUR OPERATING CASINOS.

PAYMENT OF LICENSE FEES AND ASSESSMENTS FOR THE CASINO CONTROL FUND DEFICIT FOR FISCAL YEAR 1980 EXERTED THE FOLLOWING APPROXIMATE IMPACT ON THE AFTER TAX NET INCOME OF THESE ENTITIES:

- I. RESORTS INTERNATIONAL, INC. EXPERIENCED A 5%
REDUCTION OF AFTER TAX NET INCOME
- II. BALLY'S PARK PLACE, INC. EXPERIENCED A 25%
REDUCTION OF AFTER TAX NET INCOME
- III. CAESAR'S BOARDWALK REGENCY, CORP. EXPERIENCED A 12%
REDUCTION OF AFTER TAX NET INCOME
- IV. GREATE BAY HOTEL AND CASINO, INC. EXPERIENCED A
COMPLETE OPERATIONAL LOSS AS OF
SEPTEMBER 30, 1980

THESE ARE TAX ADJUSTED FIGURES.

THE CASINO INDUSTRY IS AT A CRITICAL CAPITAL FORMATION STAGE. WITHOUT A HEALTHY GAMING INDUSTRY, THERE WILL BE NO GROWTH IN ATLANTIC CITY AND THE REGION, AND THUS, NO NEED FOR AN ATLANTIC REGIONAL COMMISSION.

ALTHOUGH RECENT LEGISLATION HAS CREATED, IN EFFECT, A COUNTY HOUSING AUTHORITY AND A COUNTY TRANSPORTATION AUTHORITY, THE INVESTITURE OF ADDITIONAL POWERS IN THE APPROPRIATE GOVERNMENTAL AGENCIES OR THE ASSIGNMENT OF OVERRIDING POWERS TO AN EXISTING OR NEWLY CREATED GOVERNMENTAL ENTITY MAY BE NECESSARY. THE NEW MEMBERS OF THE CASINO CONTROL COMMISSION HAVE NOT YET HAD THE TIME TO STUDY THAT QUESTION AND FORMULATE ITS POLICY AND POSITION ON THAT MATTER.

HOWEVER, THE CASINO CONTROL COMMISSION DOES REQUEST THAT, IN ANALYZING THIS PROPOSED BILL, THE LEGISLATURE EXAMINE THE WIDE ARRAY OF PRESENTLY EXISTING LEGISLATION TO ENSURE THAT A STREAM-LINED APPROACH TO PROGRAM DEVELOPMENT AND REGULATION IS PURSUED.

ADDITIONAL ELEMENTS OF THIS PROPOSED LEGISLATION
TOUCH UPON CERTAIN PROVISIONS OF THE CASINO CONTROL ACT. IF
THE MUNICIPAL GOVERNMENT COMMITTEE SO REQUESTS, COMMENTS ON
THESE PROVISIONS CAN BE PROVIDED.

THANK YOU FOR YOUR ATTENTION.



State of New Jersey
CASINO CONTROL COMMISSION

379 WEST STATE STREET
TRENTON, NEW JERSEY 08625

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AFTER TAX NET INCOME OF OPERATING
HOTEL-CASINOS IN ATLANTIC CITY
November 20, 1980

1. RESORTS INTERNATIONAL, INC.

FY 1979 - 67.5 million net income; or
32.8% of its 205.7 million after
tax net revenue

FY 1980 - 28.9 million net income; or
14.3% of its 201.6 million after
tax net revenue

Even though Resorts International, Inc.'s net revenue only decreased by 2% between 1979 and 1980, its after tax net income decreased by 42% between 1979 and 1980. This decrease in after tax net income resulted primarily from increased gross revenue taxes (from 8% to 12%), increased operating costs, and competition.

2. CAESARS BOARDWALK REGENCY

FY 1980 - 12.9 million net income; or
7.1 of its 180.9 million after
tax net revenue

3. BALLY'S PARK PLACE, INC.

FY 1980 - 4.2 million net income; or
2.6% of its 157.4 million after
tax net revenue

Personal investments generally yield 5 - 7% after tax. Corporate entities investing in Atlantic City maintain that their fiduciary responsibility in investing public funds in a high risk market requires their obtaining, at a minimum, a 10% to 25% after tax return on investment

EXEMPLARY INVESTIGATIVE COSTS
IN MILLIONS OF DOLLARS

1.	Resorts International, Inc. (as of 6/30/80)	\$2.5
2.	Caesar's Boardwalk Regency Corp.	\$3.1
3.	Bally's Park Place, Inc.	\$2.2
4.	Greate Bay Hotel & Casino, Inc. (t/a the Brighton)	.243
5.	Marina Associates (t/a Harrah's)	.830



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GROWTH PROJECTIONS FOR HOTEL-CASINO OPERATIONS IN ATLANTIC CITY

November 20, 1980

A. Operating Casinos:

1. Resorts International, Inc. (May, 1978)
2. Caesar's Boardwalk Regency, Corp. (June, 1979)
3. Bally's Park Place, Inc. (December, 1979)
4. Greate Bay Hotel and Casino, Inc. (May, 1980)
(t/a the Brighton Hotel-Casino)
5. Marina Associates (November, 1980)
(t/a Harrah's Marina Hotel-Casino)

B. Projected Casino Openings:

6. Golden Nugget of Atlantic City, Corp. (December, 1980)
7. Playboy - Elsinore Associates (February, 1981)
(t/a Playboy Hotel-Casino)
8. Claridge Associates (June, 1981)
9. Adamar of New Jersey, Inc. (September, 1981)
(Ramada Inns, Inc.)
(t/a the Tropicana Hotel-Casino)

While Penthouse of New Jersey, Inc. and Shelburne Associates have partially constructed facilities, neither facility is presently under active construction due to a lack of financing.

Further, while as many as ten additional hotel-casino projects propose openings in 1982, there are no facilities under active construction in Atlantic City other than those identified above

(nos. 6 through 9). Normal construction of a typical hotel-casino facility requires, at a minimum, 24 months. Thus, by Fall of 1981, there will be, at a maximum, nine hotel-casino facilities operating in Atlantic City.

If Penthouse and Shelburne resume construction immediately, the tenth and eleventh casino, respectively, could potentially open in early Spring, 1982 and mid to late Summer 1982.

If any of the projected hotel-casino proposals began construction immediately, the 10th, 11th or 12th casino, depending on Penthouse and Shelburne's status, could potentially open in early Spring of 1983, with successive openings thereafter.

44 South Tallahassee Ave.
Atlantic City, N.J. 08401

November 19, 1980

Mr. James Wumsch
Legislative Service
4th Floor
State House
Trenton, New Jersey 08625

Re: Thursday Nov. 20th Hearing on Superagency

Dear Mr. Wumsch:

I am sorry that I am unable to present my views concerning the Superagency for Atlantic City as scheduled but I will make a few written comments for the record as you suggested.

I know the people you have listed for appearance at the hearing on Thursday, November 20th in Atlantic City and it should be interesting because you will hear from opposing side in a controversy that has existed in Atlantic City ever since Casino gambling became a reality.

First, let me say that I oppose the Superagency for the primary reason that it would strip Atlantic City of it's basic functions of zoning and planning. I agree that these agencies have been misused but I am a firm believer that everyone should be allowed to clean out their own house. I submit my two recent articles, which I wrote and submitted to various newspapers and to the Commissioners to show my interest and concern for the problems we face in Atlantic City. One of the reasons I oppose the Superagency is the recent supportive actions taken by our elected officials concerning the transportation authority which I also believe is an infringement upon the rights and authority of the government of Atlantic City. It is bad enough that we do not get the revenue derived from the Casinos, but now this agency has not only taken away the City's power and authority over transportation in Atlantic City but the revenue derived from same.

Our elected officials, in my opinion, have virtually given away Atlantic City and put the burden of taxation on the people who are left in Atlantic City, to pay for and support the necessary improvements needed to accommodate the casinos. If a vote were taken today, I feel the people of Atlantic City would not vote for Casino gambling. I believe there is a dire need for the state and city to coordinate efforts to protect the people and my tax proposal would be a good beginning to achieve that end. Referring back to our present topic of Superagency, I feel that any further intervention by the state in Atlantic City affairs is wrong and this message should be taken back to the Governor. I am sure that others feel as strongly as I do and will express their feelings at the hearing, but I would like to make one thing clear, we will not rely upon our elected officials to protect us. The people of Atlantic City have had enough and we are now drawing the line. We will fight and take every measure that is necessary to defeat any such bill as the Superagency for the right of self determination.

Very truly yours,

60X

John J. Scarselletti
JOHN J. SCARSELLETTI

Encl.

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