

APPENDIX



**Statement of Christina M. Renna, Vice President, Chamber of Commerce Southern New Jersey
Before the
Senate Labor Committee
Monday, December 21, 2015**

Good morning, Mr. Chairman and members of the Committee. I am Christina M. Renna, Vice President, Chamber of Commerce Southern New Jersey and a lifelong resident of Southern New Jersey. I am here today to express our organization's strong opposition to SCR-185. Thank you for the opportunity to present our position.

I am here representing the largest and most active business organization in South Jersey because this is a South Jersey issue—make no mistake about it. And I am going to say it again—because it's worth repeating—this is a South Jersey issue.

We unfortunately know and are living the impacts of competition so close to Atlantic City. Let me bring you back to 2006—before the recent casino development in our neighboring states took place—when we had 11 casino hotels in full operation in Atlantic City, who posted \$5.2 billion in revenue. Collectively, they directly employed 42,000 people living in one of the seven South Jersey counties. At that same time, 1,684 vendors throughout Southern New Jersey sold \$1.6 billion worth of goods and services to these casino hotels. The unemployment rate in South Jersey averaged 5.6%.

One year later, in 2007, two new casinos opened in Pennsylvania and Dover Downs in Delaware added significantly to its table games, slots and other amenities.

Since then, four other new casinos have opened in Pennsylvania, the furthest being 175 miles from Atlantic City and the closest 62 miles.

The City of Philadelphia recently approved another new casino adjacent to Lincoln Financial Field and Citizens Bank Stadium, construction of which is to begin very soon.

Since the opening of five new casinos and the expansion of one in our neighboring states, and within a three hour drive to Atlantic City, four of our casinos have closed—all in 2014. The pre-2007 direct employee base of 42,000 is now at 23,700, a 56.5% decline. Annual casino revenue has fallen from \$5.2 billion to \$2.8 billion, a 46% decline. Vendors throughout South Jersey have lost approximately \$1 billion in sales. And the unemployment rate on average in South Jersey is 8.77%, vs. the 14 Central and Northern New Jersey counties whose average unemployment rate is approximately 6.11%.

According to the New Jersey Department of Labor, the three counties with the highest unemployment rates are Cape May, Atlantic and Cumberland. Also noteworthy, these three counties in 2012 had the lowest median household income in our State.

At this point in time, and by many indicators, the Atlantic City gaming industry has stabilized. There is new investment and new interest. Tropicana, Resorts, Borgata, Harrah's and Golden Nugget continue to reinvest in their respective properties. And noted Philadelphia developer Bart-Blatstein has purchased The Pier and is redeveloping it. Bass Pro Shop opened an 85,000 square foot new facility this year and Meet AC has landed the largest international trade show for meeting planners in 2016.

There is no question and no doubt that this constitutional amendment will ultimately result in more Atlantic City casino closures, more lost jobs, less business for vendors and higher unemployment, especially given that anywhere from 35%--40% of Atlantic City casino customers hail from North Jersey and New York. As we understand the resolution, Northern New Jersey casino dollars will flow to Atlantic City and while well- intentioned, we believe will not mitigate the overall negative impact on the entire Southern New Jersey region expanding gaming will have.

We urge you not to let history repeat itself—please don't give up on Atlantic City.

ADDENDUM TO TESTIMONY OF
CHRISTINA M. RENNA, VICE PRESIDENT, CHAMBER OF COMMERCE SOUTHERN NEW JERSEY

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Annual Casino Revenue (in billions)	\$5.20	\$4.82	\$4.48	\$3.89	\$3.60	\$3.30	\$3.00	\$2.86	\$2.80
# of Casino Employees Living in Southern New Jersey*	41,943	38,842	36,801	34,697	32,562	31,304	33,073	30,917	23,734
Casino Monies Spent with South Jersey Vendors*	\$1.6B	\$2.03B	\$1.8B	N/A	\$879M	\$1.7B	\$930M	\$772M	\$628M
Average Unemployment Rate in Southern New Jersey*	5.60%	5.27%	6.40%	10.50%	11.60%	11.60%	11.70%	10.45%	8.82%

* Southern New Jersey defined as Cape May, Atlantic, Salem, Cumberland, Gloucester, Camden and Burlington Counties.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Number of Casinos in Atlantic City	11	11	11	11	11	11	12	12	8	Philadelphia Approves Live! Hotel & Casino. Planned opening late 2016/early 2017 - 60 miles from AC
Changes In The Region's Gaming Market 2006 - 2014	The Sands Casino Hotel Closes in Atlantic City	January 2007: Harrah's Chester Opens - 72 miles from AC October 2007: Mount Airy Casino Resort Opens - 175 miles from AC Dover Downs in Delaware Expands Operations - 130 miles from AC		May 2009: Sands Casino Resort Opens - 120 miles from AC December 2009: Parx Casino and Racing Opens - 78 miles from AC	September 2010: SugarHouse Casino Opens - 62 miles from AC		Revel Opens in Atlantic City		Revel, Trump Plaza, Showboat and Atlantic Club Close in AC	

TESTIMONY ON SCR185
to the
PUBLIC HEARING OF THE SENATE LABOR COMMITTEE

December 21, 2015

- The constitutional amendment as introduced does not address the loss of convenience dollars to any state outside of New York and will not stop the flow of New Jersey gaming dollars to Pennsylvania, Delaware, Maryland etc. People will gamble at the location closest to them regardless of geographic borders. This means individuals currently living in the central and most western counties will continue to travel to Pennsylvania and Delaware to game.
- The constitutional amendment does not address the needs of New Jersey's horseracing industry and the agriculture underpinnings it supports. A two percent diversion to horsemen is not enough money to keep purses competitive nor does it address help needed for investment in racetrack infrastructure or facilities. It does not enhance breeding of horses and the preservation of farms. It deprives the horseracing industry of all of the financial benefits being enjoyed by horsemen and breeders in neighboring states because these states partnered horseracing and casino gaming. These benefits include significant monetary incentives to breed, race for larger purses and invest in integrated racing/gaming facilities.
- The model being proposed with casino resorts anchoring the furthest ends of New Jersey with nothing in the middle is one that hasn't been embraced by any other state in the region. The reason is it does not capture convenience dollars (the same dollars that Atlantic City lost). What captures convenience dollars is accessibility. A mega resort in the Meadowlands or Jersey City is no more accessible to a person living in Freehold or Trenton or Bordentown or Flemington than Atlantic City.

For months we have asked that you include existing racetracks as part of the solution as their inclusion would address every region within New Jersey – not just the north and the south. Gaming occurs at racetracks currently. The infrastructure and regulation is already there. Management at each of these tracks, especially the principals at Freehold Raceway, are well versed through in successfully establishing and operating integrated racing and gaming facilities in other jurisdictions. Further, such facilities can usually be opened more quickly because the infrastructure currently exists. Other states have come to the same conclusion of integrating racing and gaming - It just makes sense.

For these reasons, we encourage you to take a step back and study how other states in the region plan and place their racinos and casinos. There is a reason why they have captured what use to be New Jersey's market: convenience and accessibility. Thank you

Respectfully submitted by Sal Anderton, Esq. and Barbara DeMarco

**ADDITIONAL APPENDIX MATERIALS
SUBMITTED TO THE**

SENATE LABOR COMMITTEE

for the
December 21, 2015 Meeting

Submitted by Sheila Reynertson, Senior Policy Analyst, New Jersey Policy
Perspective:

Sheila Reynertson, “Doubling Down on Casinos is a Losing Bet,” *Star-Ledger*,
December, 19, 2015.