
Public Hearing

before

ASSEMBLY TOURISM AND GAMING COMMITTEE

*“Testimony from South Jersey businesses on the status
of the tourism industry in South Jersey”*

LOCATION: Atlantic City Convention Center
Atlantic City, New Jersey

DATE: August 1, 2002
11:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Jeff Van Drew, Vice-Chairman
Assemblyman Jack Connors
Assemblyman Douglas H. Fisher
Assemblyman Nicholas Asselta



ALSO PRESENT:

Karlis Povisils
*Office of Legislative Services
Committee Aide*

John R. McCarvill
*Assembly Majority
Committee Aide*

Jerry Traino
*Assembly Republican
Committee Aide*

***Hearing Recorded and Transcribed by
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ASSEMBLYMAN JEFF VAN DREW (Acting Chair): I'd like to call this Committee hearing to order. I have some opening remarks. Mr. Gary Guear, the Assemblyman, was not able to be here. I'm the Vice Chairman of Gaming and Tourism, Jeff Van Drew.

I want to thank all of you for being here today. We look forward to a good and productive meeting.

Assemblyman Guear said he would like to thank everyone for coming here today, as well. He would like you to accept his sincerest apology. He had an irreversible scheduling conflict. He was unable to join us today.

While he's not able to join us, he has made a commitment that he will ask the Office of Legislative Services to transcribe this entire event for him, and he's going to review everything carefully.

In the first six months of the new Assembly, we have been diligent about educating the Committee's members about the issues affecting the state's second largest industry. We have laid a strong foundation and opened integral lines of communication between industry experts and the Legislature.

Today's hearing will help us to further cultivate our relationship with the State of New Jersey and tourism and gaming, and that community, as it includes the largest tourist attraction in the State of New Jersey, which we all know is Atlantic City.

With that, he has asked me to Chair the meeting for today. He looks forward to reviewing the hearing transcript and working with each of you in the coming months.

I know that as a Committee, we would all like to thank Assemblyman Guear for his leadership.

I would like to add today that I'm very proud that we're having this meeting down here in South Jersey. I know that my colleagues, who sit here at the table with me today on both sides of the aisle, feel it's particularly important that this new Legislature reach out and ensure that the people in South Jersey have a voice, and that they have a commitment from us on both sides of the aisle that we are going to continue to do this. I think that this is, in some aspect, historic to allow all of you who are so intimately and integrally involved with tourism and the tourism industry -- to allow each of you to have a voice and to have, certainly, a major say in what occurs here.

With that being said, let me also say that tourism needs a voice. It needs an even stronger voice. In my own way of thought, tourism is not taken seriously enough. It is the State's second largest industry. It produces billions -- not millions -- but billions upon billions of dollars not only for South Jersey, not only for Atlantic, Cape May, and Cumberland County, but for the entire State of New Jersey. We need to ensure, as a Legislature and as an administration, that we move forward and not only do we continue a commitment to tourism, but that we increase that commitment.

I know, particularly in my district, I have enjoyed working with Assemblyman Asselta, who has been committed to this for years -- and that, in our district, we have joined a partnership to move forward, along with the rest of this Committee, to ensure that tourism actually becomes it's own separate department, it's own commission.

This is legislation that the Assemblyman has worked on for a long period of time and, now, legislation that the Assemblyman, as well as the

Chairman and myself and the rest of this Committee, are committed to moving forward.

We need to do this. We need to have our own budget. We need to know, quite frankly, what our budget really is. As it has been in the past, as part of economic growth, it really hasn't been clear how much money, consistently, actually is spent on tourism. I will tell you that it is beneficial to not only our district, but to the State of New Jersey if we spend more. And the numbers keep changing. Some people say it's \$25, \$28, \$23. The point is, for every dollar that we spend in tourism, we receive many dollars back multifold. We need to continue to do that to ensure the vitality and the health of the industry. And the only way into the future years that we actually can do that is by having our own separate department. So you're going to hear more about that from this Committee and from the Legislature, hopefully, in future years.

I think that the last aspect of this-- You know, New Jersey, sometimes, has a little bit of an identity problem and a perception problem. And one of the wonderful aspects of tourism is that it enhances that identity. It certainly makes our perception better. New Jersey is a beautiful state. It is a diverse state. It has a tremendous amount to offer. We have the best beaches in the world. We have mountains. We have more diversity than just about any state of its size, or almost any size, has to offer.

When we're advertising for tourism and when we're advertising for the State of New Jersey, not only are we enhancing an industry, but we are enhancing all the residents and all the regions of this great state. I think that's a very important point to make.

So I'm again honored to have all of you here today. And I'm honored to have the Committee here. I look forward to working with you into the future.

I think we will begin with some testimony here. I would ask, whenever possible -- this from a person who loves to talk by the way, so I know how it is -- but I would ask, whenever possible, if you think you're being duplicative or we've already received testimony that's very similar in nature, because we have many people who want to speak today, if you could possibly shorten it. We're going to try to stick to five minutes for each piece of testimony, if at all possible.

I'm also informed that for the transcribers -- and this is all being recorded-- Just so you know, this is an actual official meeting of the State Assembly. If you could state your name clearly and what organization or who it is that you do represent--

I'm going to start with Toni Morris-Klein, who was so integral in putting this all together and, I have to tell you, is a great advocate for Atlantic County.

TONI MORRIS - KLEIN: Thank you very much.

I really have no testimony, but I did want to thank all of you, the Vice-Chair, Jeff Van Drew, and the rest of the assemblymen for accepting the invitation on behalf of both the Atlantic County Mainland Chamber of Commerce and the Greater Atlantic City Chamber of Commerce.

Both Joe Kelly and I spoke about this invitation. We felt as if it was important that our members that are unable to go to Trenton to attend

some of your public hearings had an opportunity to tell you the impact of tourism on their specific businesses.

Thank you very much for accepting our invitation. We very much appreciate it.

ASSEMBLYMAN VAN DREW: Thank you.

I wonder if some of the Assembly members would like to make some opening statements here. I know that Assemblyman D'Amato very much wanted to be here today. He actually has an extremely important Committee meeting in Trenton.

Assemblyman Asselta.

ASSEMBLYMAN ASSELTA: Thank you, Mr. Chairman. Thank you for providing, once again, providing some leadership on this very, very important issue.

I think my colleague in the first legislative district really summed it up pretty well saying, I think we're finally coming to the realization that for this economy in the State of New Jersey to move forward and to create new tax revenue for our state in this very difficult time, tourism is probably the industry we can focus on and improve upon.

This initiative, that was created about two-and-a-half years ago now, has gotten much broader support, legislatively, to create a department of tourism, to make it a cabinet level position that, I think, most people in this room truly could appreciate and have advocated from the very beginning. I think you're beginning to see, slowly but surely, advocates on the legislative side. That is very, very important. Today will help facilitate this initiative even further.

I welcome your testimony, and I welcome your candor on this. I know if there's any other initiative that you are particularly interested in, that you think we can help you with, whether it's legislatively or just governmental wise, we're here to serve you.

Once again, thank you, Mr. Chairman.

ASSEMBLYMAN VAN DREW: Thank you, Assemblyman.

Assemblyman Fisher.

ASSEMBLYMAN FISHER: Thank you very much, Mr. Chairman.

I am a stand-in today for Assemblywoman Stender, who was unable to make it here and very much wanted to be, as well, but had other commitments that she could not avoid. As I said, she very much wanted to be here.

I represent the third legislative district -- Cumberland, Salem, and Gloucester counties -- and have a great relationship with those in Atlantic City in terms of tourism, having served as the freeholder director of Cumberland County for a number of years, and know how much the economy of Atlantic City generates throughout the region. It's certainly not just a local phenomena. It's a regional phenomena and has great economic benefit to the entire state. We all know what programs, throughout the state, are beneficiaries of the casino revenues and the great tourism efforts that take place here in Atlantic County.

I know, too, that we will continue, in the other counties, to partner with Atlantic City and the greater Atlantic City Area -- Atlantic County -- to even promote tourism further and further. The rings just keep getting further

and future away in terms of people coming in now, not just for day trips, but we know that we need to extend those trips to beyond one day and begin to partner. It certainly has, as was mentioned, the second largest economic generator in the state. It benefits -- touches just about everyone in this state.

And I'm very delighted to be here today.

Thank you, Mr. Chairman.

ASSEMBLYMAN VAN DREW: Thank you, Assemblyman.

Assemblyman Conners.

ASSEMBLYMAN CONNERS: Thank you, Chairman, for this opportunity.

I do have to share one thing with you. Early on, when we arrived, we had a chance to chat with Senator Gormley. And forever the advocate of Atlantic City, he said, next time, we should schedule our hearing for a Friday. The whole idea was so that we spend the weekend. I mean, we may still spend the weekend here, but he--

SENATOR WILLIAM L. GORMLEY: Or Monday. Really do it right.

ASSEMBLYMAN CONNERS: But, sir, my hat is off to you. You are forever the advocate of Atlantic City.

What everyone is saying is correct. I represent the seventh district, which has parts of Camden County and, actually, Burlington County. I have people who I represent who work here in Atlantic City and who get on the train in Cherry Hill and drive up here.

In terms of ratables and jobs and taxes and the 8 percent of the gross of what happens in the casinos, all this helps New Jersey. All this helps

us. Just coming up here on the Atlantic City Expressway, if you started counting -- I was impressed -- all the out-of-state tags that were heading here into Atlantic City today is incredible. I guess a lot of -- I guess especially Pennsylvania residents-- I did actually see one Ohio license plate on the way here.

Tourism, without a doubt, not only here in Atlantic City, but across the state, is very, very important. It is one of those things that's going to help us out of this bind that we currently find ourselves in in the State. You're making it happen.

I'm glad to be here. I look forward to hearing your comments.

Thank you.

ASSEMBLYMAN VAN DREW: Thank you, Assemblyman.

Just before we start, one more piece of business.

We do have some dignitaries and others here that should be recognized, some of whom are going to speak anyhow. I'm going to ask my senior colleague in the Assembly -- do you like that, being the senior colleague?

ASSEMBLYMAN ASSELTA: Sometimes, not all the time.

ASSEMBLYMAN VAN DREW: --actually to have the honor to introduce them.

ASSEMBLYMAN ASSELTA: Thank you, Assemblyman.

I know Assemblyman Connors alluded to the fact, but we have here Senator Bill Gormley, who has been, probably, the number one advocate for tourism in the State of New Jersey. He has helped facilitate the tremendous growth here in Atlantic City. He needs to be acknowledged this morning.

Let me also say that whatever we do, legislatively on the Assembly side, must have Senate support. Senator Gormley, obviously, would play a huge role in facilitating any major initiative to help our tourism industry here in the State of New Jersey.

Senator Gormley, thank you for attending. (applause)

ASSEMBLYMAN VAN DREW: Of course, we also have our County Executive, Denny Levinson, who, I believe--

Are you going to speak Denny? (affirmative response)

We're going to be hearing from him later, as well.

Everybody is a dignitary here, so we're not going to go through that process.

We will start with our first dignitary, who I decided to put first because he has a radio show. I think that was a good idea.

We're going to ask Mr. Pinky Kravitz to come forward.

P I N K Y K R A V I T Z: Thank you very much.

I'd like to thank the Assembly for getting the Committee to come to Atlantic City. It's nice to have you here in the hotbed of what goes on.

I guess it's right that I be the one to kick it off for you, because I've been involved, I guess, with the tourism in this state for many, many years. In 1963, 39 years ago, I was president of the JCs. At that time, the secretary of the Department that had tourism under it was Robert Roe. Bob Roe came along with us. We went out to try to get the national convention to come here. We went into Arizona, and Bob came along with us.

While we were on the plane talking with him, we were talking about tourism, as natural. We wanted to see what we could do to help

improve Atlantic City. You must remember where we were in 1963. We needed anything and everything. We finally found that-- He said that the budget was \$3 million at that time. At that time, \$3 million took you pretty good.

When you realize, from what I understand, that today-- Here we are 39 years later, and the budget is \$9 million for an industry-- I don't know what it brought in at that time, but today it brings in over \$30 billion to the State of New Jersey.

How have we grown? The industry has grown. But within the industry itself, there's cause for growth. The State of New Jersey's tourism department has done very little. I wonder about the tourism-- When you say, put it on a commission basis and put you up there where you belong so that you can make decisions-- It's time to take the politics out of making decisions of who is going to be the director of tourism.

I won't name names, but it's very obvious, when they take the former wife of a candidate that ran for Governor, who came here and was the vice president of public relations and knew nothing whatsoever about it, and showed it, by the way it was done -- you now have a director of tourism that has no background in the field of tourism. How are you going to help tourism?

Now, I know the Governor has to have some political appointments that he can make, but you can't do that in an organization and a business that is as vital to the State of New Jersey as tourism. What can she add to what this State is going to do in the field of tourism? What did the others add? All they did was go around from county to county and talk to

them and say, "Oh, yes, we're going to do this, do that." They did not initiate anything.

Gentlemen, this is something that you have to demand. You have to demand professionalism in this field of tourism. You're sitting before a group of people who really are -- and have the background and have the knowledge, from their own particular businesses, of what tourism is all about. You have to rely upon them.

I don't care. We have hotel people here. We have restauranteurs here. We have people from just about every facet here to tell you how vital this industry is. And in those days, the biggest job in the winter time was we had a couple conventions come in. Those conventions held us.

Today, southern New Jersey is a 12-month economy that is here. Our casinos run at 90 percent and better occupancy during the winter weekends, as well. But we've got to help the rest of the state. Why is it that we don't know -- and I take myself as one that's pretty well up-to-date with what's going on-- I don't know, really, what takes place in northern New Jersey. I don't believe the northern New Jersey folks know what we do. If you don't have advocates like Gormley and D'Amato and Asselta and Van Drew and Blee-- If you don't have those kinds of advocates, the rest of the people in the Assembly wouldn't really give a damn.

We need to promote all facets of this state. We've got to stop the north versus the south. In other states-- In Pennsylvania, it's the east versus the west. We've got to stop that. We've got to let people in this state know that they can visit other places within this state and enjoy them. We go up to the north. One time, I went up to the Playboy up in the mountains. It was

beautiful up there. I didn't know anything about it. I'm a little guy that hangs out around the seashore. I knew nothing whatsoever about it. And I had a better perspective of what goes on. We have to do more to promote within ourselves. We're our own worst enemies.

I stand before you to just reiterate and set the pace, possibly, for you to realize that if you do go to the commission, you've got to take the handle on professionalism. You've got to take the handle on bringing this state together so that we all go in the right direction.

You're going to hear from the head of our convention bureau. You're going to hear from the people that will give you the backbone. All I can do is lay out, what I hope will be, the overall structure and we'll fill in underneath that this must be done.

And we have to get the word out to the rest of the state how much this industry means to the people of Rahway, to the people of Camden, to the people of Secacus, to the people all over this state. It no longer can be one side versus the other.

I wish you well and hope that you will see to some of the requests that are here today.

Thank you.

ASSEMBLYMAN VAN DREW: Thank you, Pinky. That was very well said.

In fact, maybe we will use the transcription of that. That was pretty good for a speech, I think. You hit all the vital points.

I think that is the commitment of this Committee. I think there has been a visible and tangible change in the last six months on the Assembly

side -- on the legislative side of the Assembly. Certainly, we are committed to that. And we're going to keep pushing. Quite frankly, I don't know that it's going to be easy. We are going to have to make it as clear as possible to our colleagues just how important tourism is, what a generator of money it is for the State of New Jersey, how important it is as far as employment and all the factors that you spoke about so eloquently.

We're committed to that. We're going to keep pushing that. It's not going to happen overnight. But, again, I think all the points that you made are very well taken.

ASSEMBLYMAN ASSELTA: Mr. Chairman.

ASSEMBLYMAN VAN DREW: Yes.

ASSEMBLYMAN ASSELTA: I have a real quick comment as to Pinky's first suggestion. I think it is, probably, the most important thing he has said this morning, which is taking the politics out of that position, most importantly maintaining consistency in that position. This is what's happened over the last -- forever -- is that we're always getting a new Tourism Division director. I think consistency, as evident in the Department of Agriculture -- how we had Art Brown stay consistent for 20-plus years in that job, and maintained that rapport with the agricultural community, and was very successful at doing that -- that's what we need in tourism.

Thank you.

ASSEMBLYMAN VAN DREW: Thank you.

I'm going to ask Senator Bill Gormley-- At first I said he wasn't going to speak, but we knew better.

SENATOR GORMLEY: There was a bill that passed last year, in terms of a substantive result of this hearing as it reflects on each district, as represented by the people who are sitting here today. The bill that passed last year, in terms of casino redevelopment money to be spread around the State-- Already, as you know, there's one resolution, which is passed, which is targeted, ironically, specifically, for your district. It relates to Vineland. It relates to Wildwood, and Millville and Bridgeton are also included. So, consequently, you have money set aside by the Casino Reinvestment Development Authority already for investment in those communities.

Now, I think with Wildwood it could be used for tourism. There have not been specific projects or ideas brought forward. And, also, that same redevelopment money has also gone -- has already been designated for Pennsauken.

So, in terms of the theme of the interaction of Atlantic City with the State of New Jersey -- and I didn't know who would be sitting here today -- that interaction is taking place, in terms of reinvestment dollars serving as magnets. In some towns-- it would be for tourism if it be Wildwood. In Pennsauken, it would be more for economic development, retail, or whatever of that nature. So that is occurring.

We did the bill last year. Senator James was the co-sponsor. That was one of the themes of the legislation. One example-- They just mentioned Camden. Pinky just mentioned Camden. There's \$8.5 million from the CRDA that has just gone into the Nipper Building. You couldn't have a better project -- to take the old RCA building and redevelop it and create apartments and commercial shopping and induce another \$50 million of investment into

the city of Camden. That is as a result of an interaction. I think the more we have of that, the better.

But I do think that, in terms of specific projects, that, shall we say -- it would need some, shall we say, local legislative focus to move some of these things along. But they are there, they're designated. Specific ideas have to be brought forward, but those are regions for which that money was designated.

Just as Pinky stated, it worked because it was on a nonpartisan basis. Everybody voted for it across the board. Everybody understood what it would do. Atlantic City has been blessed. It has an enormous amount of capital, enormous amount of investment. And a lot of those things that can make a difference in other regions, hopefully, can occur because of the investment dollars that Atlantic City is now -- which has been spreading around the state, but is doing it in a more focused manner now. To be able to take \$8.5 million at one shot and then take a historic site in Camden and renew it is significant.

The potential of Atlantic City is great. The investment dollars are more than I think we could have anticipated, which will mean the fund for the seniors and disabled will grow significantly. But, also, there's reinvestment dollars. And partnerships-- I mean, it's nice to say we'll get along. Send \$10 million or \$20 million. You get along a lot better. You just get along a lot better. And that can happen. That is happening around the State, through the CRDA with the Governor's leadership, in a nonpartisan fashion.

I want to thank you for coming today, and thank you for the opportunity to testify.

Thank you very much.

ASSEMBLYMAN VAN DREW: Senator, thank you.

We now have our County Executive, Dennis Levinson.

D E N N I S L E V I N S O N: I'm here to scold you, also. No, I'm not.
(laughter)

The Senator and I have certainly got our comeuppance. We're in Atlantic County and Pinky speaks first, and rightfully so. There's not a greater advocate of our area than Pinky Kravitz. I would like to welcome you on behalf of Atlantic County government and Atlantic County citizens. It's wonderful that you're here.

I do have specific things I would like to ask of you and, also, let you know what we're doing here in Atlantic County. The Lord does help those who help themselves.

We talk about an industry -- and all seem to agree that more is needed -- an industry that generates \$30 billion a year. Over 800,000 are employed in the tourist industry -- Atlantic County alone -- 60,000 directly. That's not the indirect employment, also, that carries over.

I don't want to sound like Chicken Little, but as you can feel the hot breath of Delaware, New York, Pennsylvania on our necks, there is going to be competition for that tourist dollar, especially in gaming and especially in light of what occurred on September 11. It woke New York up.

Gambling, in many cases, is like buying a lottery ticket. You go to the closest vendor. And Delaware has certainly shown that, with the slot machines. People coming up from the south stop in Delaware. Consequently, we better become much more aware and not take for granted what we have.

The Atlantic City Convention and Visitors' Authority-- Our chambers do a wonderful job, but we most certainly need help.

When I sit in my den and I watch TV and I see an advertisement for Montana in New Jersey in Atlantic County, it makes me wonder just what we are doing.

When it was mentioned by Assemblyman Asselta that we need a cabinet position, we have to spend more money-- Well, as many realize, we're not spending enough. We're not paying enough attention, because it always has worked itself out -- not so anymore. The competition is there, whether it be in the Catskills, or downtown Manhattan, or what's going to happen in Pennsylvania. We all are very much aware that the front-runner, at this point in time, Ed Rendell, is an advocate of casino gaming. If he is successful, are we going to have boats on the Delaware? Is that a possibility? We have a 20-year head start. Let's not squander it.

I am here to ask you to push as hard as you can for a cabinet position, which, of course, will get far more attention than not being a cabinet position.

So what are we doing here in Atlantic County? I put together an ad hoc committee of interested people who care, most of them are with a vested interest. I want them to have a vested interest. They are going to come in with a report. That report will be given to you. We're going to ask for funding. I do believe that's the way it should be. When a substantial amount of money is put in there -- taxpayers money -- what are you going to do with it? We do have a lot of money that comes into our coffers, and then we have to figure out how do we want to spend it. After all, if we don't spend it by a

certain date, we lose it. That happens many times, and you're all aware of it. You know that, as being a local official.

Consequently, before money is spent, there should be a plan. We intend to have a plan, possibly the first in the State of New Jersey. We're going to come before you and ask for funding for this. We can even use it as a pilot program throughout the whole State of New Jersey. You do have funding available. Now you have to apply for it. That's what we would like to see.

Once again, we just don't want to promote casino gaming here, especially in Atlantic County. We want people to know how diverse we are. We want to talk about more than just our beaches and our ocean. We want to talk about more than the three great attractions that we have, which interestingly are -- one centrally located with Six Flags, one up north with the Meadowlands, and down here with Atlantic City. Let's promote the whole state.

In conclusion, I want to thank you once again. Hopefully, this is not-- Being in government as long as I have been -- and in all due respect -- and myself included when I say this-- We have hearings. We have committee hearings, and we listen, and we take notes, and we nod, and we all agree. And then, what's next? Hopefully, this will be now and what's next, and something will come from this that is very, very positive for not just Atlantic City or Atlantic County, but for the whole State of New Jersey.

I thank you for your indulgence.

ASSEMBLYMAN VAN DREW: Thank you, Denny.

ASSEMBLYMAN ASSELTA: Question.

ASSEMBLYMAN VAN DREW: Sure.

We have a question from Assemblyman Asselta for you.

ASSEMBLYMAN ASSELTA: County Executive, my respect for you on specific tourism-related issues is tremendous. In light of-- And you made a strong point, and a valid point, of the next Governor, possible, of Pennsylvania will be Ed Rendell, who is a huge advocate of gaming, who I would suspect his first major legislative initiative would be to create gaming on the Philadelphia waterfront--

Now, how would that impact Atlantic City, number one, if you have any insight on that? And, number two, would you suggest a possible expansion of gaming, on a limited level, to defend ourselves against this possible initiative?

MR. LEVINSON: Well, first, how it will affect us-- Obviously, is competition good? Most certainly, competition is good. We welcome competition providing the fact that we are prepared for it. We were the only game in town for the longest time. This will not be the case in the near future. Hopefully, it will be the case.

I'm a great advocate of letting people, also, know what is the downside of casino gaming. I can give quite a long speech, also, of what the downside is. And that's what ought to be promoted to these areas that think this is the panacea. This is going to cure all of your problems. You're not going to have-- Your tax rate will be infinitesimal. You won't have any problems once this occurs. Well, guess what, you will have problems. It's the dialectical materialism of Hegel, which no one spoke about, when communism

was in favor. At this present time, you end up with -- it synthesizes -- you end up with something new, a new thesis. And that's what does occur.

Other areas, other venues have to understand the downside. It is not all of a plus, even though most of us say, "Gee, I remember Atlantic City when..." Well, the problems that have occurred here in Atlantic City because of casino gaming must be, I believe, magnified to try to discourage gaming, especially.

It's a finite number of gamblers. I don't know if you're aware of that. This is not infinitesimal -- that gamblers are going to just -- going to continually come in. So there's a finite number. The more venues you have, and the more areas they can go, the more convenient it is, and the more comfortable it is for them to be there.

So, consequently, we want to make sure our transportation, to bring people into Atlantic County, to stay in Atlantic County, to visit our area-- We are in total and compete-- When we do have total and complete competition from our surrounding states, which I imagine we will have, we should be prepared. What we are, at this present time-- I do not believe we are prepared. We're not putting enough emphasis into it.

So, to answer your question, will it have an impact? It most certainly will have an impact. Will it have as much an impact as Delaware? More of an impact than Delaware. So, when we know what's going to occur, we should be ready for it.

We have the finest restaurants in the world, the finest chefs in the world, the finest entertainment in the world if you just want to talk about Atlantic City itself. The accessibility to come into Atlantic City, taking the

Parkway, the Expressway, the Black and Whitehorse Pikes-- This is something we do have, and we should capitalize on it. Take a look at other areas. Make sure that this is the most glamorous spot in the east to go to.

Hopefully, downtown Manhattan won't have it. That competition would be pretty stiff when you have your audience coming from the Philly area and the New York area -- your tri-state area. So we do have a head start.

Once again, in conclusion, let us not squander it.

I hope I answered your question.

ASSEMBLYMAN VAN DREW: I think you did. I think that the point of all this is what we're all going to say all day here -- is that we have an advantage. Currently, we have an advantage. We started much earlier. We're much farther ahead in the game. Shame on us if we can't stay that way.

The point is, if we can have that cooperative effort, not only in Atlantic County but among the counties-- The example that I always like to use is, if somebody is coming down to South Jersey and they want to stay at a bed and breakfast in Cape May, and they want to gamble at the casinos in Atlantic City, and then, maybe, they're going to go over to my colleagues area and, possibly someday, go to a race track that might be there, as well as the other ecotourism activities that occur, we have a lot to offer. But we need a coordinated, focused effort.

They talk about the person with the plan. We've got to have the plan. And if we have that plan, we're going to be able to move forward.

MR. LEVINSON: When you stop and consider-- Las Vegas pushes Lake Mead as one of their tourist attractions, when you visit the city itself. So the ambiance of Cape May and the other things we have -- the other

attractions we have in Cumberland County and Ocean County and Atlantic County, these also should be pushed, most certainly.

ASSEMBLYMAN VAN DREW: So they can all build upon each other, because I personally feel that, regardless of what we say and what we talk about, those other gambling meccas, those other casinos are going to exist. And it's going to be incumbent upon us, even though they exist, to be still the number one destination resort area on the east coast of the United States. And if we do all that we should do, it will continue to be that way, because we do have a head start.

MR. LEVINSON: Every salesman knows you stop talking after the sale, so I'm going to leave you with this.

You brought this up. Just one more comment. When I was chairman of the freeholder board, and I was in total agreement with someone standing before me, a citizen standing before me, the comment from that citizen as he left was, "Now that you're in agreement, what are you going to do?"

Thank you very much.

ASSEMBLYMAN VAN DREW: We're doing it. We're trying.

Any of the other Assemblymen? (no response)

Thank you.

Okay. We have the President of Atlantic Cape Community College, President John May.

JOHN T. MAY, Ph.D.: Thank you.

I'm honored to be here to deliver some prepared remarks.

To Assemblyman Van Drew and other members of the Tourism Committee, I appreciate your attention.

My remarks will focus on an issue that is of significant concern for the future expansion of the casino industry. And that, specifically, is labor shortage. And I'll conclude with some recommendations to the State for help to alleviate that problem.

The tourism and gaming industry in our area will face a labor shortage over the next three to five years. The following information supports this assertion, and I do have some backup material that will go along with this.

The population of the Atlantic City labor area, consisting of Atlantic and Cape May counties, is projected by the New Jersey Department of Labor to grow by 10 percent, while employment growth of 15 percent is anticipated in the 1998-2008 period. The casino industry, alone, will need more than 7000 new employees over the next two years to satisfy both industry expansion and turnover.

The tourism and hospitality area has long been one of New Jersey's leading industries, especially in shore communities. In 1977, the citizens of the state voted to establish the Atlantic City casino area as a resort destination.

I'm going to skip some of this material because we've already noted that. I would only emphasize that Atlantic City, alone, has produced over \$4.3 billion in revenue, a \$1 billion payroll, and over \$1.4 billion in goods and services supplied by businesses to the industry. That was during the year of 2000. Incidentally, during that same year, the industry contributed nearly \$350 million in tax revenue to the State.

I think this is particularly significant because, if we look at the current downturn in the economy in the State, the tourism industry is going in the other direction. We are actually providing more revenue.

The hospitality industry has outgrown its infancy and is facing new expansion. In 2000, the industry had a net job growth for Atlantic and Cape May counties of 3 percent, double that of the State job growth of 1.5 percent. These new jobs developed without large expansion or new development in the casino industry. Because of the commitment to add at least two new major properties in Atlantic City by mid-decade, with a projected 7000 new jobs, along with the expansion of existing casinos like Harrah's, Resorts, and Tropicana, by the year 2010, jobs in this industry are expected to grow to a total of almost 58,000.

In addition, even entry-level jobs in the hospitality industry have become more technologically based and require more English proficiency, reading comprehension, math proficiency, and work readiness. For example, a hotel front desk clerk needs to be computer and software literate, so that the job of tracking rooms, serving guests, and projecting vacancies can be accurately accomplished. A casino floor pit clerk no longer tracks guests by hand, but swipes guest cards and tracks spending at the table on a laptop computer. The position of cashier consistently ranks high as a high-demand job vacancy. Each casino hotel in Atlantic City has extensive marketing departments where computer literacy is a fundamental skill in tracking customer databases, special events, and promotions. In addition, major telecommunication centers and software applications have become core to each

house's marketing strategy. Even housekeeping attendants in several hotels use computers to effectively manage workloads.

Clearly, the hospitality industry has entered the 21st century information age. Unfortunately, many of these new and incumbent employees lack the literacy skills to achieve the productivity needed to grow with the industry. The most important ingredient in keeping the hospitality industry healthy is a productive, customer-friendly, English proficient, and literate workforce. Finding, training, retaining, and advancing technologically proficient, English proficient, and literate workers in such a competitive environment will be critical to the industry's future economic vigor.

The Atlantic Cape Community College has played a key role in providing employee recruitment and training for the tourism and gaming industry. We have degree programs, for example, hospitality and tourism and culinary; and continuing education programs, for instance, our Casino Career Institute, corporate training, and job readiness that are designed to meet the human resources needs of the tourism and gaming industry. In addition, the college has played a leadership role in assisting the hotel casino industry in obtaining New Jersey Department of Labor training grants under the Office of Customized Training.

I've attached some supplemental information that outlines programs and funding levels for these programs, which the College has collaborated on with the casino industry and the New Jersey Department of Labor over the past eight years. During this time, these programs have been funded by the New Jersey Department of Labor for more than \$6 million.

I'll conclude with several recommendations: First, the State should continue, and perhaps increase, customized training funding for the tourism and gaming industry through the New Jersey Department of Labor. Investment of public funds in employee recruitment, training, and upward mobility, especially as it relates to underserved populations who are needed in the workforce, is sound public policy.

Second, the State should continue efforts, already underway through the offices of Assemblymen Blee and D'Amato, to facilitate communication and problem solving between the casino industry and New Jersey Transit, in an effort to enhance travel to the workplace for incumbent workers and as a strategy for attracting new employees.

And third, the casino industry and the following agencies should continue to work together to effectively address the dual problems of employment needs by industry and of unemployed or underemployed workers. These agencies include the New Jersey One-Stop Centers, the Atlantic Cape May Workforce Investment Board, the Atlantic Cape Community College, the vocational technical schools, Job Connection, employment services, and the county family services.

Through this collaboration, regional employee recruitment and training initiatives are possible, which will contribute to the needs of the industry for workers and the needs of citizens for jobs.

I thank you very much for this opportunity to address the Committee.

ASSEMBLYMAN VAN DREW: Dr. May, I have one quick question. Any statistics or idea of the staying power of these jobs? How long

do people stay with them? Do they stay committed to them? Do they move on or up or out? Do we have those types of numbers?

DR. MAY: Is your question specifically for the ones that go through the job training that we're talking about?

ASSEMBLYMAN VAN DREW: Correct. Yes.

DR. MAY: It really depends on the level we start. But in terms of those most in need, those that perhaps have been chronic welfare recipients--

ASSEMBLYMAN VAN DREW: And those (indiscernible) specifically, yes.

DR. MAY: Yes. The effectiveness of getting them through our training, where that is basically job-readiness training, is approximately 40 percent, which may not sound high, but that is actually quite good for that part of the population.

We are then, with the consortium that we've been working through, guaranteeing those that get through those -- they will have entry-level jobs in the casinos.

We are now considering, in the current work that we're doing with the casinos, that we will not consider that we are fully successful with those -- our clients -- until they not only have secured and held a job, but until they have their first promotion, because we want to make sure that they have moved on to jobs with sufficient income to sustain their families.

ASSEMBLYMAN VAN DREW: Do we have statistics on that, or no?

DR. MAY: That aspect is very new. I would be able to get you statistics. But, quite honestly, at each level along there, we do, in fact, have attrition there. We're dealing with people with multiple types of problems. But, I think, one of the things that I'm most proud of is this collaboration with the College, with the casinos, with a number of other agencies, for instance ACCMC, in giving these people the opportunity and working with them to ensure their success.

ASSEMBLYMAN VAN DREW: Thank you, Mr. President.
Assemblyman Conners.

ASSEMBLYMAN CONNERS: Dr. May, thank you for coming and testifying today.

Out of curiosity, students coming to Atlantic Community College-- What would you say the ratio is of students who express an interest in working in, say, the casino industry versus going off into other -- accounting and other careers? Is there just a ballpark ratio of what happens?

DR. MAY: I'm going to have to give you something. I must confess that I have not -- don't have the specific data on that on the tip of my tongue. But I would make a side comment.

For instance, students that come in accounting-- Many of them will wind up in the casino industry. There is a certain core of programs we have that is directed to moving -- vocational programs that are directed to moving students directly into the casino industry. These are typically through our Casino Career Institute. We will train dealers. We will train a wide spectrum of people, directly, for the industry. Of course, with that group -- and that is mainly noncredit training -- those will, essentially, entirely move

into the casino industry. When we look at our general education population, however -- that is, those that are the accountants, those who are in the business curriculum, and so forth -- you also find a very substantial fraction of them moving into the casino industry, if for no other reason than that is the premiere industry in our area. In order for them to stay in this area, that's where they will want to work.

I will give you a rough ballpark figure. And I would say that, in terms of directly moving into the casino industry, even from those credit programs, we're probably dealing with about 20 percent. But if you go beyond that and look at those that are serving corollary industries, I'm confident that that is well over 50 percent.

ASSEMBLYMAN CONNERS: Is the collaboration between the casinos and the College-- Is it, more, they're looking for dealers and people in the culinary areas, or do you have them saying, "We're also looking for executive types. We're looking for management types. We're looking for people in the accounting area." Does that type of conversation take place, or is it-- Is the need more for dealers and people like that?

DR. MAY: The need is always, I think-- The lower you go, more towards the job entry, there tends to be the greater need there at the job-entry levels. Of course, I'm being very -- generalizing in that sense. When you go towards the, more, upper levels of management, those tend to be the much higher paid. There is more competition for those jobs. There tends to be more promotion within. So you don't have the situation where we train people not already in the industry to explicitly go in those jobs. However, we do offer certain opportunities for incumbent workers to improve their skills so that they

can advance within the industry. That's a very substantial part of our training -- not only what we do, but we also have programs in collaboration with Rutgers University, that is delivering an MBA at our Atlantic City location, that has attracted some number of those within the industry with the goal of moving up.

ASSEMBLYMAN CONNERS: Great. Thanks, Doctor.

ASSEMBLYMAN VAN DREW: Thank you.

ASSEMBLYMAN ASSELTA: Mr. Chairman, one question for Dr. May.

First, let me begin with, I have a little bit of history with your hospitality program. I happened to be the head basketball coach back in 1978 when my program got -- experienced huge budget cuts to create the hospitality program at ACC. (laughter) Instead of winning 18 games that year, we might have won 25.

DR. MAY: That was before my time. (laughter)

ASSEMBLYMAN ASSELTA: Yes, I know. I think Dr. Moore (phonetic spelling) was there. (laughter)

ASSEMBLYMAN VAN DREW: Oh, gee. And he never forgot.

ASSEMBLYMAN ASSELTA: I never forgot.

It's been a successful program there. I think the question I have relates to your opening statement of your labor shortage and where the future labor pool for the industry lies, and how we must go to that labor pool and take our education there and not expect those people to be able to come to a specific site as close as ACC. And now you're expanding, obviously, down in Cape May County, which I think is a positive thing -- that we hope that this

same hospitality educational process can occur down there, where there is a labor pool. But, most importantly, in Cumberland County -- that I project and see having the largest potential labor pool for the future of the industry -- lies in Cumberland County, with well over 165,000 citizens. That, by the way, has a huge unemployment base that is ready to be trained.

I guess my question is, is there a possibility there can be a cooperative effort, since Cumberland County has a very extensive community college, the oldest community college in the State of New Jersey by the way? Is there a way where you and ACC can communicate and coordinate a similar program up there, so that we bring the process of education and employment to the people who need it where the labor base is? That's probably my most pertinent question.

DR. MAY: Yes. The community college, as a whole, has an agreement with the Department of Labor to do such collaborative programs that you're suggesting there.

In addition, the workforce investment boards within South Jersey are already collaborating for such efforts, because it is clear that there is not the labor pool incumbent in Atlantic and Cape May counties, that there has to be the effort that you are talking about.

We are prepared to do what you're suggesting. We already have a collaborative agreement with Cumberland County for hospitality programs. I think, as soon as the issues of employment opportunities which are there-- That is effectively with us, but also the transportation issues are, perhaps, the most troublesome at this point. But I want to assure you that we will collaborate with the adjacent county colleges in a very productive way, because

we're committed to meeting the business needs of our community. And that means, at this point, to do what we can to provide training for those that would enter the industry.

ASSEMBLYMAN ASSELTA: Thank you. Very good.

Thank you.

ASSEMBLYMAN VAN DREW: Thank you.

ASSEMBLYMAN FISHER: I just have one quick question.

I noticed over and over again that when we talk about training, it seems to be, generally speaking, the entry-level positions. And it only goes to a certain plateau. And then the workers -- the management positions-- I mean, we don't really have a problem in the industry in terms of management positions -- upper management positions, because there's an importation of those in the industry, far and wide, coming from wherever the industries flourish, Vegas and alike. I mean, is that a fair characterization?

DR. MAY: I think that's a fair characterization. One of the reasons is very transparent. If you're dealing with upper management positions, you can -- the salaries are high enough to make it very easy for people to relocate. You draw the line where it is difficult for people to relocate, where it's difficult for them to find housing that they can reasonably afford with the salary that they can command. The more you approach the entry-level position, the more difficult that is.

This is the reason that we're discussing the need for transportation for that entry-level worker, because we realize that they would not be able to command a salary, at that point in their career, to allow them to relocate into an easy position.

ASSEMBLYMAN FISHER: Okay. I asked that question because I understand, as the industry in the beginning -- certainly the casino industry -- it had to import people that had the experience. But now we have a 20-year existence here. It seems like I still hear that we never have the expansion of the programs that are able to develop that high-end wage earner who actually live and have lived here.

We talk about people not leaving the area. We want to make sure that people stay here. We're always looking to that. I hope that we can, at some point, some juncture, begin to expand that training beyond, as I said, that certain threshold.

DR. MAY: I want to assure you that the College is committed to doing just that. We have, certainly, a long way to go. I mentioned that one of our success measures is not until a person has had his or her first promotion in a job after coming through that entry level, but it still is not at the level you are talking about. But we, with our collaboration with Rutgers, I think, are making some progress on that, although we need to go a lot further.

ASSEMBLYMAN FISHER: Thank you.

ASSEMBLYMAN VAN DREW: Thank you, Dr. May.

DR. MAY: Sure.

ASSEMBLYMAN VAN DREW: We have a great number of people to testify today. I have a little problem. As the years go by, my attention span is not quite as good as it used to be. I know that you all don't have that problem -- that you'll be with us.

I would ask-- We're going to try as best we can, because Assemblyman Asselta and myself also -- in fact, Assemblyman Fisher, as well--

We have a groundbreaking occurring later, that we also have to be at, in Cumberland County. We definitely want to hear from you. If you have written testimony, and you do desire to summarize it and present the written testimony, that will all go into the record, every single word of it, irregardless. So you don't have to worry about that. We do want to hear from you. We just want everybody to have a chance, as well.

Not that you were too long, Dr. May. You were not. It was very interesting. As we go along--

I have Jack Plackter, Chairman, Chamber of Commerce.

Is he--

Yes, there he is.

JACK PLACKTER, ESQ.: Good afternoon.

My name is Jack Plackter. I'm the Chairman of the Greater Atlantic City Chamber of Commerce. We have 700 members, mostly business-oriented members, around the region.

First of all, I'd like to welcome everyone. Rather than use all of your names, in view of your request to be brief, I'll just welcome all of you.

Welcome to Atlantic City.

ASSEMBLYMAN VAN DREW: That part was okay. You can say our name. No, I'm only-- (laughter)

MR. PLACKTER: I'd also like to thank Toni Morris-Klein for working with Joe Kelly to put this together.

ASSEMBLYMAN VAN DREW: She worked very hard. She did.

MR. PLACKTER: We look forward to working with you very closely in the future.

ASSEMBLYMAN VAN DREW: She was relentless.

MR. PLACKTER: We're really bullish on Atlantic City. We think it's very exciting.

I just want to respond to Assemblyman Fisher's point about the higher executives, because I do have some personal experience in knowing a lot of the executives who, kind of, worked their way from the ground up.

If you take a look at who's running these particular properties and who are the chief executive officers, many of them did start at very low-level positions. A good example is someone who's going to speak later, is Redenia Gilliam-Moseé. She actually started out as a chambermaid in the hotel industry and worked her way up to one of the high-level executives with one of the largest companies in our region, Park Place Entertainment.

In addition to that, you have Mark Juliano, who is head of the Convention and Visitors Authority, who was CEO of the Mirage for a while and ran Caesar's. He was a teacher and started out in the showroom of Resorts International. He was a maitre d' in the showroom of Resorts International.

In addition to that, a gentleman by the name of Tom O'Donnell, who is with Harrah's Entertainment: He started out as a teacher in Pleasantville. He's a teacher and football coach in Pleasantville High School who got in the casino industry. He started out -- I don't know what position. But today he runs Showboat.

And finally, Audrey Oswell, who is from the Camden County area originally, started out 20 years ago, I think, in the accounting department of -- I can't tell you which casino. But today she is President of Resorts International.

So there are great opportunities for advancement in this industry for people who have the ability. However, it is very competitive. And oftentimes, people from other areas come in. Also, sometimes people from this area go out to Las Vegas and assume very high-level positions. So I think there's a great opportunity in this industry.

As I said, we're excited about this region. I use region because I think this region-- And I think a lot of you hit on it already, so I'll try to be brief. It's more than just Atlantic City. We have such a unique region in this area. It's like no other. I mean, if you start with Cape May with the Victorian area -- the restaurants, world-class restaurants. You go to Avalon, Stone Harbor, the Wildwoods for probably the best amusements in the region-- You look at the golf courses, world-class beaches--

We have to get our message out. This is a unique area. When you look at the area, it's unlike any other. Nowhere do you have the variety within what, I would think, is a 40 mile radius -- really less than an hour drive -- within a 40-mile drive are probably some of the finest vacation experiences anywhere in the world. I have been fortunate enough to be in a variety of places. I can tell you it's great. We just don't promote it. We don't get our message out. We need to do more of that.

Some of the positive impacts of tourism on this region, I predict, with the -- and it's not millions, it's billions of dollars that are going to be invested in this area over the next few years. I think you're going to see that it's not the second-largest industry. It's going to be the number one industry in the State of New Jersey. I think there's no doubt about it.

Some of the positive effects-- One, job growth. One out of every three residents of this area works in the casinos, directly, in Atlantic County. In addition to that, with the multiplier effect, all of us-- Myself, I have a local law practice-- Clearly a substantial or significant part of our practice relates to casinos and tourism.

The quality of life-- Because of the industry, this tourism industry, the quality of life for the residents has substantially increased. There's growth in the educational system with Stockton and Cape Atlantic Community College.

In addition to that, one of the things we're very proud of is, we have the first-in-the-region cardiac -- full cardiac care area. Prior to about a year ago, if you needed major -- any type of heart procedure, for example, catheterization or open heart surgery, you had to go out of the area, to maybe Camden County or Philadelphia or North Jersey. Now, AtlantiCare and the Atlantic City Medical Center has a full cardiac care section. Again, that's all as a result of the increasing business and population, because without the demand and the growth, you don't have that.

The taxes returned to the State -- we all know how significant they are. There's impact-- The impact on the funding of the programs on seniors and disabled-- And also, the effect of gaming dollars and how many people are just touched and affected.

I just have a couple recommendations. I had more comments, but I'm going to be as brief as possible. I think there are a couple things that we would ask that you do.

First and foremost, we want you to increase the amount of tourism dollars spent. I think the statistic was given, for every dollar spent on tourism, it results in \$28 to \$32 in return for the State of New Jersey. That's an important number. We, badly, are so in need -- surely need to increase that amount.

There's also a significant opportunity in this region to affect growth opportunities and revenue opportunities from nongaming revenue. One interesting statistic is in Atlantic City and this region. The majority of the dollars of revenues is won at the slot machines, the gaming tables, and so forth. In reverse, in Las Vegas, it's about 50-50. It shows that, with the influx of new transactions -- non-gaming attractions, entertainment venues, restaurants, shopping -- that those tourist dollars can be translated into great additional revenues for the state and for the community, which translates into jobs and--

And also, going forward, we need the government to continue to be creative. There's just a couple suggestions. One of the great things -- and I think Senator Gormley left. Senator Gormley and our legislative team -- they've just been tremendous in terms of creating incentives for the private sector. The two best examples for that-- If you have a chance to look around, look at the cranes that you see in the sky. You see a crane at Showboat. They just took one down at Harrah's. There's one over at the Tropicana. This is all as a result of the hotel bill that allowed the casinos to reinvest their reinvestment dollars in hotel rooms. It's a great piece of legislation. I would certainly compliment Senator Gormley and our legislative team that worked on that.

Also, the retail entertainment district legislation, which also is responsible for the quarters project. Without that legislation, I'm not sure that project would have started, because it closed a gap in funding. It's a significant piece of legislation. We're now going to have, in this area, for the first time, world-class shopping.

A couple other points, and I'll finish-- We'd like to see government to continue to provide needed infrastructure to support tourism growth, such as improve road access. The improvements on the Expressway are a great thing. They're going to help people get here. That's a very important thing, because most people do come by automobile. Continuous improvement on the rail and airport -- that's other things that help us. Also, streamlining the regulatory process--

There's no reason-- If you look at Atlantic City and you look at a project like the Borgata and the upcoming, hopefully, MGM Mirage, there's no reason why it should take nine months to go through the State of New Jersey to get a permit from the Department of Environmental Protection, when we know that that's an encouraged use. We know that they're not going to interfere with wetlands. We know they're going to follow the regulations. There needs to be a streamlined permitting process -- also with other regulations with the Casino Control Commission and DCA. There's a lot of things that provide -- that cause additional costs and time delays that I think we could eliminate.

And finally, and I'll close with this, we also need to ensure that the important employees, which are so vital to the industry that Dr. May talked about, have affordable places to live. That's a very important requirement.

We want them to live within a short distance so they can work at these places of employment.

It's critical that you, as legislators, do not stop growth in this region. There's been some talk about moratoriums and stopping development in this region. That would be highly detrimental to the future and continued growth of this region as, what I think is, a number one tourist destination on the East Coast. Hopefully, with your help, it will continue to be so.

Thank you very much. Thanks for coming down to Atlantic City. I hope you have a good time here.

ASSEMBLYMAN VAN DREW: Thank you, Jack.

MR. PLACKTER: Sure.

ASSEMBLYMAN VAN DREW: As far as growth, I don't think there's anybody here who would want to stop the growth. I know that, in areas like Egg Harbor Township and Galloway Township, there's certainly a local-purpose tax impact and a school tax impact. I think that those situations need to be remediated.

We now have another celebrity. We have Barbara Altman. I think she's going to speak about the Atlantic City Marathon.

Am I correct, Barbara?

BARBARA ALTMAN: Yes.

ASSEMBLYMAN VAN DREW: She comes on after Don Williams, but before Jeff Whitaker and before Pinky.

Am I right?

MS. ALTMAN: That's correct. That's right. And before Rush Limbaugh.

Before I begin, let me just give you an example of how we continue to try to spread the word about Atlantic City, throughout the country and throughout other countries, as well.

ASSEMBLYMAN ASSELTA: I don't think we can take gifts.

MS. ALTMAN: You can just separate this and take a copy for each of you.

ASSEMBLYMAN VAN DREW: Are we going to be reading--

MS. ALTMAN: You're just looking at these. I'm taking them back. Oh, no, this is not a bribe. This is totally-- You can also-- I'll give you an opportunity to look at some of these photographs, too. If you each take a copy--

ASSEMBLYMAN ASSELTA: Torricelli got a Mercedes, and I got a T-shirt.

ASSEMBLYMAN VAN DREW: You got a shirt that you can only try on and wear, but then you have to give it back, right, Assemblyman?

MS. ALTMAN: That's it. You can just try it on and that's it. No long-term wear.

Thank you very much for giving me the opportunity to be here today.

ASSEMBLYMAN VAN DREW: We just were going to ask you, because I do listen to your show sometimes, are the vibes right? Are we doing this on a good day? Is everything aligned for us? I hope it is.

MS. ALTMAN: Let's hope so. It's a good time for expansion. We have wonderful opportunities for expansion here in Atlantic City, and in South Jersey, and all of New Jersey.

ASSEMBLYMAN VAN DREW: Believe me, we need to be aligned.

MS. ALTMAN: I would say, any opportunity we have to come together and to talk about the future of our state and of this particular region is a good day, and the planets are aligned for all of us.

I'm here today, actually, representing a special event that is held here in Atlantic City, the Atlantic City Marathon. There may be people in the State of New Jersey that are aware of the fact that, up until about three years ago, this was the only-- This was New Jersey's marathon.

Forty-three years ago it started. October 13 of this year, we'll be holding the 43rd annual Atlantic City Marathon on the boardwalk in Atlantic City. It is America's first festival of running. It is an event that brings in people from-- Last year we had people from 30 states and six countries outside the United States.

There are people who-- As a matter of fact, just as a little aside, a friend was visiting in Ireland and was at a pub in Ireland. Someone walked in wearing an Atlantic City Marathon shirt. The friend said, "Were you in Atlantic City?" "Ran that race. It was one of the best races I've ever been in. Loved being on the boardwalk in Atlantic City."

So it isn't just about the race. It's about the number of tourists we bring into Atlantic City. You'll see, I covered briefly, in the pages I gave to you, what this specific event does for this area and what it does for fitness and for families who come together here.

We have so much going for us here in Atlantic City. We're happy to be a part of what is going on with the new sporting events. We have the

hockey team, the baseball team, and everything that really does enhance the attractions for people to come in and to experience our terrific area.

Each year, our marathon has grown larger and larger. I have to tell you that, sometime back in the other century, in the last century, for a brief period of time, it looked as though we were just going to scrap the whole idea of a marathon, because people weren't coming to Atlantic City to run in a marathon. People didn't know about it. What we did was, we decided to make it a festival and to reach out. We knew that hotels were being built and that the expansion was happening here. People were coming here to live. They were coming here to play at the casinos. We thought we would create a place where they could run and play. We have several different events that happened at the same time.

We brought in Bill Rogers, who is the New York City Marathon winner and also Boston Marathon winner. Frank Shorter has been here. He's an Olympic marathon winner.

We focused on boosting what we had, building what we had to attract people to Atlantic City and to attract people to stay here overnight -- to bring them in and to encourage them to stay for the weekend and make it a weekend-long festival.

The problem we run into is that we haven't had enough hotel rooms to go around. I'm sure that that's a wonderful problem that every event would like to have.

Our goal for 2005 is to have 15,000 runners on the boardwalk in Atlantic City. As you saw from the snapshots there, that was just the

beginning, when people were just lining up on the boardwalk to get ready for the races to begin.

All those people who were in town and all the people who come into town are here to spend money in the hotels, to spend money in the casinos, and to spend money in the restaurants, not just in Atlantic City, but throughout the area. They go into Cape May County. Sometimes that's the closest place to find a hotel room and so they spread out. They don't mind. They really don't mind doing that.

It's a very worthwhile event, because it really adds another dimension to what we're doing. I'm so in favor and supportive of any additional tourism funds that can come into this area -- can come into the State of New Jersey. I would love to see the State of New Jersey formally adopt the Atlantic City Marathon as New Jersey's own marathon. As I said, there were a couple little ones that sprung up over the past couple of years. You have one even in Cape May County, and that's fine. We're very much in favor of that. We're in favor of fitness and anything that will be an added dimension to bring tourists into the city.

So, in a few short years, we've actually grown 1000 percent. I can say that because, at the time that the event was about to be retired, there were less than 200 participants. And we've gone over 3000 for the event, and we can only go beyond that.

We promote Atlantic City and New Jersey in national magazines. We've had-- ESPN has been here and covered the event. We do everything we can to make sure that the people here will benefit from whatever happens through the Atlantic City Marathon. It's an event that's manned by 500

volunteers, people who just put in their time and do what they can to promote what is happening here at the shore. This, along with all the professional sports-- And blessings to our own State Senator Bill Gormley, who has just built this place that we stand in today, and brought in all the sporting teams who are here, and has just developed everything from the ice rink to the shopping that is coming, and just more attractions that will make Atlantic City and the Atlantic City Marathon that much more attractive to people in Waterloo, Iowa, or if they're in San Diego, California, that want to be here in Atlantic City--

So we're competing with some pretty big dollars when we look at the New York City Marathon. The New York City Marathon, funded and supported by the state of New York and the city of New York, they have-- They work on a, as of last year, \$17 million budget just for the marathon. I can tell you that our budget is less than \$40,000 to put the whole event on. However, we wouldn't turn down \$17 million, anywhere, to put on the event and to bring more people into town.

We have people who come in by train. The plane service that is offered -- whatever we have and can make available to people-- They travel by train, by car, by plane, and some can even walk the distance if they live in the area. Only 12 percent of our runners actually are from this area for the Atlantic City Marathon. All come a great distance.

I think that we've created something here. We're working with everyone who is trying to boost everything. The Atlantic City Convention and Visitors Authority has been tremendously supportive of our events. The casino

industry and many businesses in the area are very supportive and work along side us.

I would hope that with your support of tourism in this region and in the State of New Jersey-- It is very important that it continues. It's very important we continue to build more hotel rooms, more facilities for people, the more attractions for people to come here and to continue the economy of this great area.

I thank you very much.

ASSEMBLYMAN VAN DREW: Thank you, Barbara. We thank you for all the good work that you do in Atlantic County and the area, for your commitment to the Marathon, and to just everything that happens in South Jersey. Thank you.

MS. ALTMAN: Thank you very much.

I don't want to be bribing anyone.

ASSEMBLYMAN VAN DREW: I know. We can't keep the shirts.

MS. ALTMAN: I'd love to give them to you. I really would. No shirts.

ASSEMBLYMAN VAN DREW: We would love to have them, but we can't.

MS. ALTMAN: But I will leave you the photographs.

ASSEMBLYMAN VAN DREW: The photographs we're keeping. No, we're only kidding. (laughter) I scared her.

We really want everybody to have a chance to speak. So, what we're going to do is, Karlis, who sits right here-- When we reach the five-

minute mark, he's just going to raise his hand and let everybody know. If we go, even with five minutes, and the number of people that want to speak, we'll still be here at least another hour and a half. We just want to let everybody know. So Karlis will just give you a little high sign, sort of like when we're in debates. It will help us wrap that up.

Next, we have from the--

We had the Acting Chairman of the Casino Control Commission here. He has left testimony for us that will also be entered into the record. That was Michael Fedorko. So, we have that.

Mr. Seth Grossman, who I believe, also, has a-- We have everybody on radio today. How many radio shows do we have?

SETH GROSSMAN, ESQ.: Well, it's funny with talk radio today. In a way, that's the forum. People don't hang around the courthouse. People don't hang around anywhere to talk about stuff. It's on the air. We have a community that really ranges from 3000 to 9000 depending on the show. Every host has their niche.

I'm speaking as a citizen, as an attorney who represents non-casino businesses, and as a talk show host that talks every Sunday to about 3500 people during the course of the day.

First, I'd like to talk directly on the-- There are two issues here. First, should State government set up a new bureaucracy or a bigger bureaucracy and spend more money to encourage tourism? That's really the stated purpose of this hearing, although the printed statement was just to hear about tourism.

First of all, I think it's important to remember cause and effect. I heard my colleague, Jack Plackter, say that for every dollar we spend on tourism promotion, we get \$20 million in tourism. Well, if that's true, it's easy. All you have to do is spend \$5 million more for tourism promotion and we'd bring in another \$100 million.

But that cause and effect-- The sun comes up and the rooster crows. Does that mean that if the rooster starts crowing 10 minutes earlier, the sun's going to come up 10 minutes earlier? Is there a connection between what the government spends and the tourism dollars that come in?

I submit that if you look at the -- I believe it's the March edition of the *New Jersey Reporter*, it shows that the states that spend the least on tourism have the most tourism. So there's an irony there.

The second thing is, what price do we have to pay to get this bureaucracy or tourism agency if we're going to get it, because everything is give and take in politics? We all know that North Jersey or Newark wants a third of a billion dollars for a stadium. Now, if the price of getting this tourism money is to approve and return a third of a billion dollar stadium, I'm not sure it's worth that price. I think we have to be very careful as we bargain what's good for us. And that's another angle.

The third thing, as Mr. Kravitz and others have alluded to-- Just by setting up a tourism agency that's run by politicians-- My colleague says, "Let's have politicians in government establish an agency. But we want the politics out of it." We all know that just doesn't happen.

Now, let me go to the remarks that I plan to talk about.

I'm a conservative. I happen to believe that the best thing that the government can do to encourage tourism is to have good roads, clean ocean water, effective police protection. So far, we're pretty good with the ocean water, the police protection. The roads are hurting. I believe that Route 40 is a disgrace. It's a slow, two-lane highway going from here to the Delaware Memorial Bridge.

We had a lot of publicity when John Elliot died from a drunk driver who hit him head on. I submit that his death was caused just as much by that slow, two-lane highway for 68 miles, as it was from the drunk driver.

Also, Route 55-- We're not asking for more money. We have the Delaware Memorial Bridge -- has so much money, it doesn't know what to do with it. They're spending God knows how much on a ferry going back and forth. It's been losing money ever since it's been there -- and taking helicopter trips around. So I submit that the Delaware River Port Authority should be restructured so that money -- the excess money is applied towards roads leading up to the bridges.

That would also solve another problem. If we had a better Route 40 and a better Route 55, it would open Cumberland County up -- the labor pool up to the casinos. I don't think we need another cheerleading agency. I think we should just reallocate the money where it will do us some good.

The sad thing is that when tax dollars are administered by politicians to promote tourism, very often the dollars end up promoting politicians and not the tourism.

As the host of a radio program, I've heard hours of commercials which were on a local station, geared to over -- 30 years and over -- here in

Atlantic City, promoting tourism in New Jersey, with Maggie Glenn and all that other stuff. I submit that most of that effort was devoted more to win voters in the state than to get tourists from outside the state. I'm not sure that by spending more money that dynamic would change.

Now, although, in my opinion, State government can do little to help the tourism industry, there's a great deal it can do to hurt the industry. Government regulation and taxes drive up everyone's cost and make vacations more expensive. During the past six years, '95-2001, State spending increased from \$15.4 billion to \$21.4 billion.

I'm just going to conclude by just making three items-- What bothers me is the March *New Jersey Reporter* article that, basically, said that the real problem with New Jersey is we're not taxing our tourists enough money. It has this whole program set out to increase the gasoline tax, increase the hotel room tax from 6 percent to 10 percent, increase the auto rental tax. Very prominently featured--

I'm concerned. In the article, it says, "The way to get the public to accept this tax is to set up a cabinet level tourism department." I'm afraid that a lot of this talk, for setting up this tourism department, is a smoke screen to put through this massive tax that was in the March 2002 edition of the *New Jersey Reporter*.

The final thing I'll mention is that I just got back from Majorca. I had a nice vacation there. It was a great deal, because the hotels were over 30 percent empty. Everyone was explaining why business was so bad. The Germans and Dutch weren't coming to Majorca anymore. It turned out--

They made these offers you couldn't refuse to get tourists like me, who weren't planning to go there, to go there.

It says, "The dearth of tourism is partly the result of an anti-Majorca campaign in the German Press criticizing the controversial new tourist tax in the Balearic Islands." To make a long story short, they imposed a \$1 per tourist per day tax. You would think, "Oh, the tourists won't mind. They'll just pay the extra tax." But what they've been doing is, every year for the past 10 years is, they kept adding another tax here, another tax there on the tourists, because they didn't want to raise the taxes on the locals. Finally, they just imposed one tax too many. The German newspapers went nuts. They started a whole boycott campaign. It's going to take years for Majorca to recover those tax dollars. So consider the unintended consequences.

I'm sorry I spoke longer than I should have. Again, I think I focused on the issue at hand.

Thank you very much.

ASSEMBLYMAN VAN DREW: Thank you, Mr. Grossman.

Very quickly, because I don't want to take too long, as well, I don't think it's the vision of this Committee to increase any taxes. It's the vision of this Committee to separate out the function of tourism from economic growth and commerce, to make sure that the dollars that are spent are focused and spent in the best possible way, to make sure that those individuals who were involved in tourism in the State of New Jersey, regardless of whatever administration is there and whomever the politicians may be -- that those individuals are focused and have the vision of the communities that are most profoundly affected by tourism in their hearts and in their minds. That's the

desire of this Committee. It isn't, necessarily, to increase taxes, or increase bureaucracy, or to run advertisements about Assemblyman Fisher or Assemblyman Van Drew or Assemblyman Asselta or Assemblyman Conners. We just want to be focused on increasing what has been a very profitable and very productive business and industry for the State of New Jersey.

We agree with you, I probably would bet, on the roads and infrastructure. We can do better. It's certainly on the DRBA.

Thank you for being here.

MR. GROSSMAN: If you haven't read that article, I urge that you read it, because I'm sure that others have read it and I'm sure the pressure's going to be on.

ASSEMBLYMAN ASSELTA: Mr. Chairman, just really quick-- There needs to be some clarity to the issue.

Mr. Grossman, I'd be happy to provide you with the piece of legislation that would create this commission which, by the way, will be a private-public commission with people in this room -- could possibly be on this commission from the industry. The concept of this commission, number one, is to bring in the private sector to help designate how to market the industry.

You're absolutely right. The bureaucracy has not proven to be able to do it. What the legislation does is, it brings to the table the private sector, like this industry down here, to make the decisions, whether it is to create a stable source of funding or not.

Quite frankly, there will not be one more State employee hired under this piece of legislation. You can take that to the bank. I'll go on your show and state it. The commission and the legislation that we have, right now,

pending would not create any more State jobs. It will, really, bring the private sector to the table to let them do the decision-making process on the marketing end, to create more resources.

The bottom line is, clarity is important here. I will E-mail you or send you the legislation so you can study it yourself. This is all about letting the private sector do their job, which they're capable of doing.

MR. GROSSMAN: Well, that's very good, because there's going to be a lot of pressure to come up with new revenue sources. And what better source of revenue than the tourists who don't vote, although-- I just don't want us to walk into the trap that Majorca walked into.

ASSEMBLYMAN ASSELTA: Absolutely. Thank you.

ASSEMBLYMAN VAN DREW: Thank you, Seth.

ASSEMBLYMAN ASSELTA: Great testimony.

ASSEMBLYMAN VAN DREW: Ms. Moseé, who is the Senior Vice President of Park Place Entertainment.

There you are.

REDENIA GILLIAM - MOSEÉ: Good afternoon. I'm very happy to be here.

I represent Park Place Entertainment. I came back home to Atlantic City. Atlantic City is my home. I grew up here. I graduated Atlantic City High School. I played the Convention Hall organ for the graduation the night we graduated in '66. It was one big flood -- the entire street. I have an uncle now who will not come back to Atlantic City if it rains. (laughter)

I want you to know that some of the comments I make -- very briefly, because quite a few things have already been addressed and said several times.

We cannot underestimate the impact that New Jersey Transit has on opening up communities for people to come to work in our area. It is a very critical point, and there are places particularly relative to Cumberland County. I can tell you that, because I chaired the Private Industry Council of Atlantic, Cape May, Cumberland counties with Marie Brittan (phonetic spelling) for 15 years. And are we currently, now, involved with continuing moneys that are provided through the Federal coffers that come into our area as a two-county entity?

New Jersey Transit is a major player in the routes that are done. In our company -- with Park Place Entertainment, that includes Bally's, Caesars, Claridge, and the Atlantic City Hilton.

When I first came back to Atlantic City from teaching up at Rutgers in New Brunswick, I planned to be home for three years, because I knew I didn't go to a college that had gaming as a curriculum. I graduated from a Methodist school where gambling was more or less questionable. But the opportunity was brought home.

And this is what I think needs to be emphasized. No matter what field you're in -- if you're in accounting, you're able to have an area that's applicable to you, that has to then be specialized, in terms of casino accounting. But the basics, the fundamentals--

When I was asked to come back home, I said I knew nothing about gaming. But I knew how to read, write, and follow instructions. That's

what everyone who graduates college should be able to do. They don't know all the answers, but they should be able to find them. Those who have gone through working and training programs -- particularly when you talk about entry-level people--

We work a lot within our hotels to bring in the kinds of programs that help with English as a second language, so that employees have the ability to sign up, and they can go right from their job into the training course and don't necessarily have to get on buses. And just because you start at that level -- and myself having been a chambermaid in 1960-- I started working in hotels when I was 11, and no one asked me how old I was, so I wasn't breaking any law. I worked every year since then. But people that I worked with as a chambermaid -- and we had 22 rooms a day with two double beds, and we were paid \$30. And money was taken out of our pay, whether we ate food at lunch or not. So there's a lot of things that have changed in the ability to be able to, now, have an industry that provides additional kinds of benefits.

When I made the decision to come back home, there were some things that were very important to me. I grew up in an area where Atlantic City was stratified by race. If you lived on the north side, everyone knew you had to be African-American. If you lived on the south side, you, obviously, were not.

There are a lot of these things that have gone away, with a lot of the way that people have gotten to work together. And, also, the ability to have the kind of programs that impact people's lives directly--

There was a study done, and you may be able to get it, I'm sure, from the Casino Control Commission. It may have been about seven years

ago. They did an inquiry of the rate of turnover within gaming properties in this area. We were very pleased to have come out of that survey with having been the company that had the largest number of people who have been on staff for 15 and 20 years. I'm coming into my 25th year, and I don't know where all the days have gone.

But I came in here as a planning consultant. I am a city planner by profession. I have a MCRP degree. I came to Bally's to work on questions for the casino facilities statement. And the first question was, what will be the impact of gaming on the world? And I really thought that was funny at the time. I mean, in 1980 -- on the world? We were just trying to get it in Atlantic City, if you recall. The first referendum didn't allow it to come into Atlantic City. It was to go at the various seashore areas.

So, over the period of time, what I have seen -- and the ability to impact on communities -- is a gaming industry that the people--

Have I done five minutes already?

The people who have been a part of it have been, very much, embodied with doing that. So, perhaps, if you ask me a question, I can answer in the next two minutes. That way I can make my other points.

ASSEMBLYMAN VAN DREW: Does the Committee have--

I think you hit just about every point.

MS. GILLIAM-MOSEÉ: Okay. Well my main emphasis is transportation.

The second point I want to emphasize is curriculum. We have to get schools throughout the State of New Jersey, from elementary school on, to

embrace what hospitality and tourism is, because that, then, allows the young people to see that as a particular option to work and be in a profession.

Thank you.

ASSEMBLYMAN VAN DREW: Very good. Thank you. Good points.

Who do we have here now?

Jeff Vasser, from the Atlantic City Convention and Visitors Authority.

With a name like Jeff, he's got to be okay. Either our shtick is bad or I don't know. We're not doing something here today. (laughter)

J E F F R E Y V A S S E R: It's a tough crowd. It's a tough crowd.

Good afternoon, Mr. Chairman and members of the Committee.

My name is Jeff Vasser. I'm the Executive Director of the Atlantic City Convention and Visitors Authority, and I do not have a radio show. (laughter)

ASSEMBLYMAN VAN DREW: There we go.

MR. VASSER: Before I start my prepared comments, I'd just like to comment on Assemblyman Asselta's earlier question to Denny Levinson about the impact of Philadelphia on Atlantic City.

I would just like to add that I think a way to approach it is making Atlantic City more of a destination. Rather than just focus on the gaming, let's bring other reasons for people to be here. That's something that we're all committed to down here. So, I appreciated that question.

My remarks have been submitted for the record, so I will just touch on the highlights.

I'm here to testify that, like everyone else has asked for, additional money -- but more importantly, a more comprehensive program by the State of New Jersey to support tourism initiatives -- will provide a return on investment that is rarely seen in government or industry.

You've heard the figures all morning. Every dollar invested in tourism returns a range of anywhere of between \$28 and \$32 to the economy. In New Jersey, where tourism is number two, we still have a lot to do to keep that ROI very high.

Atlantic City, in particular, as we just said, faces increased competition from surrounding gaming jurisdictions. And New Jersey, in general, faces increased competition from other tourism destinations.

It's more than just major hotels, resorts, casinos that benefit from increased tourism dollars. An example we use here is the research we did on the economic impact of the inaugural season of the Boardwalk Bullies ice hockey team. While we don't have all the figures in yet, we do know that approximately 50 percent of those attending the games bought meals outside of Boardwalk Hall, and another 34 percent visited casinos.

Their spending is only a small part of the tourism cycle that creates jobs, supports families, and provides taxes to municipal, State, and Federal governments.

Conventions also provide a positive impact on the economy, and a positive tourism image helps attract conventions. The recent air conditioning, heating, and refrigeration expo, which took place here in January, attracted more than 44,000 exhibitors and delegates with an economic impact estimated at \$50.8 million. That impact was spread among hotels and motels,

many almost an hour away from Atlantic City. And that's not even to mention restaurants, public transportation, caterers, and entertainment venues. That example is a good one of how we all benefit from promoting our location, attractions, and amenities.

New Jersey ranks 23rd in U.S. state tourism office budgets, with approximately \$10 million allotted to the 2001-2002 budget. On the other hand, Pennsylvania ranks 3rd and outspends us with a budget almost four times what we spend. With an average ROI of approximately \$30 for each one spent, New Jersey stands to attract about \$303 million in tourism spending. Pennsylvania, on the other hand, stands to gain about \$1.2 billion, while establishing itself as a premiere destination in the minds of tourists.

Along with an increased budget, we need to look at what we promote and how we promote New Jersey. New York hit many home runs with its *I Love New York* campaign. The enduring slogan fit almost every situation and became even more poignant after September 11.

The campaign served a double purpose. It instilled a new pride in New Yorkers and, at the same time, made an often-maligned state and city loveable in the minds of tourists. As a direct result of that campaign, the increase in travelers to New York state the first summer after that campaign was inaugurated -- it generated approximately 1.6 million visitors additional to what they had before, compared to a decline of 1.3 million visitors throughout the rest of the northeast. That was despite a severe gas crisis and an onset of a recession.

We need to cement our vision of where New Jersey is positioned, both internally and externally. We need to carefully identify target audiences and hit them with consistent messaging.

Most states that stand to benefit greatly from a healthy tourism economy are well represented at key travel shows. New Jersey is not. We would like to see that important component enhanced. The State tourism office can serve as an umbrella organization for constituent agencies and tourism venues, representing a well-defined, unified product.

It is a proven fact that partnerships garner success. Effective coordination of our state, regional, and local advertising budgets, themes, and programs makes sense for all of us. As the State runs an ad in a key consumer publication, the augmentation of additional placements by counties, cities, and attractions, with a call to action on the part of the reader, can strengthen that message and anticipated goal of additional visitorship to the state. Pooling our resources can benefit all of us and enhance New Jersey's ability to overcome an image that is, unfortunately, sometimes uncomplimentary.

Travel industry research points to the logical conclusion that post-September 11, vacationers and convention travelers prefer destinations that are closer to home -- that is, within a day's drive. New Jersey is ideally located in the country's most populous region to take advantage of that.

The State tourism office, if elevated to a cabinet level position, can take a stronger position in coordinating the efforts of many of the smaller tourism attractions in the state.

With that, I will end my comments and entertain any comments that you have.

ASSEMBLYMAN VAN DREW: We agree. Thank you, Jeff.

MR. VASSER: Thanks.

ASSEMBLYMAN VAN DREW: I also see that we have the Mayor of Atlantic City, Mayor Lorenzo Langford, in the back of the room. Thank you for being here.

Mr. Kelly

D O N K E L L Y: Which Mr. Kelly?

ASSEMBLYMAN VAN DREW: Don Kelly. You.

MR. KELLY: There are three Kelly's here.

ASSEMBLYMAN VAN DREW: I hear you.

Mayor, did you want to speak? (negative response) Okay.

MR. KELLY: Assemblymen Van Drew, Asselta, Conners, and Fisher, my name is Don Kelly, and I'm wearing three hats today. I'm an independent businessman. My partner and I own a historic bed and breakfast in Absecon -- no commercial. For the past five years, I've been the Vice President of Tourism for the Atlantic County Chamber of Commerce, and, for the past fifteen months, the Chairman of the Greater Atlantic City Regional Tourism Council.

In May of this year, Governor McGreevey issued a proclamation declaring May 4 through May 11 as tourism week. In that proclamation, he stated several things quite clearly. The tourism industry in New Jersey contributes \$31 million to the economy. Of that, there are 836,000 jobs directly attributable to tourism. Of that amount, there is \$17.7 billion paid in wages. This is all from the Governor's Office.

Tourism is the number two industry in this state and is quickly moving to become the number one. And most economists predict that in five to seven years, tourism will be the number one industry in the State of New Jersey.

The amount of money that's spent on tourism has been bandied about here for the last couple of hours and has been bandied about as being \$10 million. That's not true. There's only \$1.8 million for tourism promotion in the State of New Jersey, which represents-- Of the amount of money that's brought into the state, \$31 billion, that represents one-tenth of 1 percent of what's brought into the state. That's pathetic.

In Atlantic County here, there are 45,000 jobs that are directly attributable to tourism. And in the summer, that increases by 17,000 jobs. So there are 62,000 workers, right this month, who are working in the tourism business. There's a tremendous impact on our local economy. Sixty percent of the county gross product in Atlantic County is attributable to tourism.

Now, I've heard a lot of talk up there, with Assemblyman Van Drew, about working together with different tourism. Our Southern Shore Tourism Council is working with the Greater Atlantic City Tourism Council, for the past four or five months, to develop marketing efforts jointly to promote all of southern New Jersey. We've been meeting on a regular basis. We're going to be doing travel shows together. We're producing brochures, booklets that will all promote not just Atlantic County, but Cape May County and Cumberland County as well.

I'd like to commend Assemblyman Fisher for Cumberland County, and Mr. Asselta. Cumberland County, this summer, has spent \$300,000 from

Memorial Day to Labor Day promoting tourism in Cumberland County. They should be commended for that. That's probably one-fifth of what the State spends.

There are a few other things here. The Greater Atlantic City Regional Tourism Council is responsible for Atlantic County tourism. We have 80 members that are volunteers. In the State of New Jersey, there are 400 volunteers who work for tourism at no pay. And in our county, there's 80 of us who are working at no pay for tourism. These people should be commended for their effort. We have a lot of them here today that are members of our Council, who are here to make sure that the State supports tourism.

We support Assemblyman Asselta's legislation, and we hope that it gets passed this year, or if not, next year.

Any questions? It's been four or five months since I've appeared before your group, if you remember.

ASSEMBLYMAN VAN DREW: I know. We're glad to see you again. I do remember. You said you wanted to do this, and we're doing it.

MR. KELLY: Good.

ASSEMBLYMAN FISHER: Jeff, I have one--

ASSEMBLYMAN VAN DREW: Yes, Assemblyman Fisher.

ASSEMBLYMAN FISHER: I just have one comment, which is -- and certainly not for discussion today, but just something to put out for a discussion, perhaps in the future. I'm not sure of the answer, but that's why we have these forums.

You mentioned that there are various districts within the state, I think Cumberland and Cape May--

MR. KELLY: Yes, Cape May and Cumberland are the southern shore district. Atlantic County is the Greater Atlantic City Region. There is also one on the Delaware Bay, which is Camden County, Burlington County, Salem County, that area over there. There's the Skylands Council, which is the northwest part of the state. There's the Gateway, which is Bergen, Newark, all those areas.

ASSEMBLYMAN FISHER: The reason I'm asking is not-- Although this, obviously-- Different things work at different parts of the state. But at some point I question, sometimes, whether or not there should be all these separate councils, and breaking up tourism, when we're talking about tourism in South Jersey and the impacts of trying to build partnerships. It seems to me that there are, at times, barriers in terms of turf.

For a future date--

MR. KELLY: That's not true in southern New Jersey, because we've been working with Cape May County now for the past six months. That also includes Cumberland County, as well. We've had some very, very good meetings. We're preparing to prepare a destination guide and produce 150,000 of these destination guides -- will be distributed throughout the area. Cape May County alone is taking 130,000 of these guides to distribute to their people who are interested in Cape May County. The Board of Chosen Freeholders of Cape May County have endorsed this. The Board of Chosen Freeholders of Cumberland County have endorsed this. And we're working

right now to get our county government in Atlantic County to endorse it, as well.

ASSEMBLYMAN FISHER: Great news.

MR. KELLY: It's going to be great, because they're very enthusiastic down in Cape May and Cumberland County. All I have to do is engender that enthusiasm up here in Atlantic County.

ASSEMBLYMAN VAN DREW: You're a good example to the state. Thank you.

MR. KELLY: Thank you.

ASSEMBLYMAN VAN DREW: Okay. Now, Mark Wampler. He is representing the Hamilton Mall. I actually think that my wife and my daughter should be representing the Hamilton Mall. It's a joke, as well.

MARK D. WAMPLER: We like that. Hopefully, everyone does.

I'll have a handout, so I will be very brief.

The Hamilton Mall has been around for 15 years. We've gone through some tough times, some good times. The past three years have been very good times. Our sales have been up. Over 5000 employees work in the mall. We're putting \$7.5 million into the mall next year for renovation. We have a very large commitment to the Atlantic County area, Cape May area, also, and Cumberland County.

The reason we're doing so well the past couple of years is because of all the growth in the area, the tourism in the area, the conventions that come in, the new casinos. There's over 30 developments being built within five miles of the Hamilton Mall. There's, I think, eight golf courses that are there -- recently built.

If not for the tourism, if not for the casinos, the restaurants, the new ballparks, we wouldn't be doing as well as we are. We are bucking every trend in retail. The national retail is down. Northeastern retail is down. We've been up over 8 percent a year for the last three years in a row.

So we ask for continued support for tourism in the area. We also ask for any additional support you can give.

And I'll be very brief. Thank you.

ASSEMBLYMAN VAN DREW: Thank you.

You all like those rainy days, as well, right?

MR. WAMPLER: Rainy days or 98 degree days both help us.

(laughter)

ASSEMBLYMAN VAN DREW: Thank you very much.

We have Jeffrey Roberts from the Avalon Limousine Service.

Is he still here? Where is he? There he is. He's probably calling up, seeing what was going on.

J E F F R E Y R O B E R T S: My name is Jeffrey Roberts. I own Avalon Limousine. I've been in the limousine business for about 17 years. I drove in California, in San Diego, which is a big tourist town. I lived there for 25 years growing up, and I moved here 25 years ago -- well, back and forth. I take that back, because it doesn't work out.

ASSEMBLYMAN ASSELTA: It makes you, like, 70. (laughter)

MR. ROBERTS: Well, I'm about 50.

Anyway, the limousine business in Atlantic City is a big business. It's a multimillion business. Only about 10 percent comes from that, though. The other 90 percent-- I basically rule Cape May, Atlantic County, and

Cumberland County. I drive regular people during nights on the town, anniversaries, weddings, things like that.

The tourism -- well, obviously, during the summertime -- is our biggest time. We do triple the business that we do during the winter. So we, kind of, have to save our acorns for the winter.

Some of the things, from being in both states and looking at the industry and also the people-- When I first came out here, I used to always crack on New Jersey a little bit, because it's 20 years behind San Diego, because San Diego -- it is the year 2000. Everything was planned. It's a different state, because it was so new and so open. They planned a little bit farther ahead. But even now, their six-lane highways aren't enough for all the people out there. I just talked to somebody from San Diego the other day. When I left San Diego County, there were 750,000 people. Now there's 4 million. That's a lot of people. I don't go back every three years and visit my family.

But the differences between there and here-- It is a little bit like happy days, but in the past 20 years, this area has come a long way. There are some things I, personally-- I'm just a chauffeur, but I do cover a wide area -- like a 200-mile radius. I drive New York. I know New York. I know Philly. I know D.C., Baltimore. The people here are--

I think one of the things in tourism is that the people themselves, who live here, have to be a little bit educated about the area. I meet so many people who grew up here their whole lives, and they have no idea of the history of this area. I think that should be one of the things that should be part of tourism, to make the people themselves proud and aware of some of the things

that have gone on in history here. A lot of people that just live here just don't care. I don't know what it is.

The other thing is, the roads need a little bit more modernized. Some of the-- One of the things-- One of my peeves as a driver, in going from one area to another, is where the lanes change from three lanes to two lanes.

Now, in California-- I should write a-- I've always meant to write-- I'm just taking this venue for this. They put solid lines -- not solid -- I mean, they're solid squares that indicate this lane's going to end -- get over. That's one thing. You avoid a lot of accidents that way, and slow-ups, because people have advance notice this lane is going to end, not some little sign that says the lane is going to end 1000 feet. That's way over here, and you're moving at 65 miles an hour and then all of a sudden the traffic goes-- That's when you have your afternoon and morning backups.

The third thing is, I drive all over. I never see any signs anywhere promoting the state, like Cape May or Wildwood or anything. I mean, I see tons of billboards, but they're always for casinos or something like that, which is okay, but I don't see anything for -- like hey, New Jersey is -- like you said -- I love New York. I think that would be the third idea.

Other than that, I think everybody hit on everything. A lot of smart people spent a lot of time thinking about what they're going to say up here. I'm just here to, kind of, wing it and just be a little guy. Hey, that's all good. Everybody's-- This is a great thing -- that everyone gets together and does these things that they do to try to improve our lives. That's why I joined the Chamber of Commerce and do the things that I do.

I've seen 300 companies fail in the limo business in the past 11 years. It's all about spirit. If we have the good spirit towards us--

Oh, okay. I'm done. (laughter)

ASSEMBLYMAN VAN DREW: It's just to let you know that you're winding up. You don't have to--

We thank you for being here. We do want to hear from everybody. We appreciate your business.

One real quick question. How much does a limo cost -- a new Lincoln limo or a Cadillac limo?

MR. ROBERTS: Well, it varies, but depending on--

ASSEMBLYMAN VAN DREW: A stretch.

MR. ROBERTS: It's about \$65,000. It's not that bad.

ASSEMBLYMAN VAN DREW: Okay. I was just curious.

MR. ROBERTS: It's about the same price as a Beemer.

ASSEMBLYMAN VAN DREW: There you go. Thank you.

ASSEMBLYMAN CONNERS: You're going to hear from the Van Drew Limo Service. (laughter)

ASSEMBLYMAN VAN DREW: I could never drive one of those. I've got enough problems driving, as it is.

Murray Rosenberg, now that we're on transportation. (no response)

How about Deborah Dowdell.

Where is Deborah?

There you go. I knew you were here.

Deborah is representing the New Jersey Restaurant Association.

DEBORAH DOWDELL: Good afternoon.

Just so you know, I read much faster than I summarize. So I'm going to just read my testimony.

ASSEMBLYMAN VAN DREW: Okay.

MS. DOWDELL: Mr. Chairman and members of the Committee, my name is Deborah Dowdell, and I'm the Executive Vice President of the New Jersey Restaurant Association. I am here today to represent the restaurant and hospitality industry. Thank you for the opportunity to present some constructive comments and observations about the tourism industry in New Jersey, as well as in South Jersey.

I would like to begin by saying that we are very proud to be an integral part of an industry that contributes so much to the Garden State. And as an organization, we are committed to working with the State to continue to enhance the industry. We're looking to be strategic partners with a common goal of ensuring that tourists enjoy their experience while visiting the bevy of destinations in the state.

We are here today, also, to underscore that complementing the 127 miles of beautiful shoreline, Pinelands, historic sites, antiquing, outlet shopping districts, major sporting events, farm tours, water sports, festivals, cultural destinations, and casinos are 21,000 restaurants in New Jersey, offering everything from quick nourishment in comfortable, family-friendly surroundings to world-class dining.

Consider these facts: according to the National Restaurant Association's research, of the \$31 billion in traveler expenditure in 2001, more than \$8 billion were sales generated in restaurants. That's fully one-quarter of

the total industry. And of the 800,000 employees, there are -- 200,000 of them work in the restaurant industry. And our industry also contributes \$400 million in sales taxes alone.

And according to the Food Policy Institute, which considered manufacturing, beverage distribution, linens, and all related products and services, we influence the total -- the influence of our industry on the total economic impact of the State is more than \$16 billion.

When you think of tourism, you might not necessarily think of restaurants, although I am pleased to say that today I heard many references to restaurants. We're here today to change that oversight, which we do see as we travel throughout the state. Indeed, restaurants are the most delicious part of New Jersey's tourism industry.

Tourism in New Jersey remains a positive impact on New Jersey's economy today, almost by default. There are dedicated professionals promoting the state, outstanding businesses poised to provide memorable products and services for our visitors, and we have the built-in natural resource in our magnificent state. However, the weak part of the equation is the amount of funding the industry receives and the perceived lack of a coordinated, meaningful, and effective message that is disseminated both in-state and out-of-state.

The NJRA strongly urges the State to increase tourism funding and to provide adequate funds to provide an aggressive, sophisticated, coordinated, and centralized promotion of the Garden State. Despite our tight budget, given what our surrounding states spend on tourism funding, an increase in

tourism funding in New Jersey is critically necessary and will be an investment that will generate multitudes of rewards for the State.

We recently polled our members in anticipation of today's meeting. We asked the members from Mercer County to Cape May to comment on the status of the tourism industry this season. They offered the following for your consideration: for those businesses by the shore, the weather has cooperated superbly. The beginning of the season, May and June, saw sales greater than last year, some members reporting double-digit increases. They all noted a decline in the foreign traveler. They also noted that the amount of travelers checks is down significantly, one member reporting by 90 percent. They have seen that the use of credit cards has doubled.

What seems to have sustained the beginning of the summer was the day-tripper, with many of our members reporting that the very definition of tourist must be definitively redefined. When I cross my own town's border, I'm a tourist. Our own residents, who may be on business, taking a day off, or spending the week at the shore, are all tourists.

Many of our members reported that they have seen a sharp decline in boaters. And they attribute this to the heightened discussion of, frankly, the corporate business tax increase, and the stock market plunges, and the basic economic uncertainty we see today. They have noticed a dip in business recently. So, I would say in the past three weeks, they have noticed a downturn in what was perceived before as a large increase compared to last year.

The labor pool remains a problem, with training being the number one concern expressed by our members. NJRA is currently working with the Department of Labor to attempt to develop programs to address this problem.

I would like to add, also, that as I was listening to some of the comments on the labor issues that are critical in our industry, I think image remains one of the problems, whether it's tourism in general, hospitality in general, but particularly in the restaurant industry. I have members who've said that, with tips, they can make \$60,000 a year. But their parents want their students to-- I'm sorry, the parents want their children to go and get a \$30,000 job. There really is a large image problem in the industry.

In conclusion, imagine the positive impact of increased funding on the industry. We would be happy to work with the State on a dining guide, which was also something that our members felt was lacking in the state. That could be complemented by an on-line guide. There is really no such thing in New Jersey, and it's very much needed. There are several other states that do this effectively.

We also encourage the State to promote dining out to our own resident travelers, as well as to our neighboring states. We offer world-class dining, whether we're competing with New York or Philadelphia. We need to spread the word.

We encourage the State to fund welcome centers so that travelers can easily access visitor information and can properly welcome them to our beautiful state.

We urge you to always remember that the tourism season is in the summer, as well as all seasons. It's the shore and all destinations. Our tourists are international, national, and local.

I'd like to thank you very much for the opportunity to testify today and, of course, if you have any questions, I'd be happy to answer them.

ASSEMBLYMAN VAN DREW: Thank you. Well done. Thank you.

Now we have our other Mr. Kelly, Jack Kelly.

FREEHOLDER JACK KELLY: Thank you.

I am Jack Kelly. I am the Business Manager at Atlantic City International Airport.

ASSEMBLYMAN VAN DREW: And also, by the way, a Freeholder.

FREEHOLDER KELLY: I also serve as a member of the Board of Chosen Freeholders in Ocean County. So I'm very aware of what that means. I've been there.

I will be very brief. Most of what has been said today was going to be included in my remarks, but there's no use saying that over and over.

I will just say one thing. One speaker talked about whether adding to the investment is smart or not smart in New Jersey. Does it bring in anything extra?

Let me tell you that one of our greatest destinations from the Atlantic City Airport is to Orlando, Florida. Now, what's in Orlando, Florida? Disneyland. (*sic*) Nobody spends more money promoting themselves than Disney, and they're very successful at it. It takes money to make money. This

is a great idea, to make this a stand-alone department, and to put a professional director in that can be there for more than one administration and continue the effort of saying that New Jersey is a great destination. Certainly, that would help the Atlantic City International Airport, which operates under South Jersey transportation -- part of the State of New Jersey. You invest great moneys there. This would be an investment that would help that airport to grow.

Thank you for having us here today.

See, less than five minutes.

ASSEMBLYMAN VAN DREW: Thank you very much. Thank you, Freeholder.

Is Manny here -- Manny Mathioudakis from the Jitney Association? (no response)

Teddie O'Keefe?

TEDDIE O'KEEFE: Let's see, without water all this time, I'm going to be very brief. (laughter)

ASSEMBLYMAN VAN DREW: You know what, the one thing about doing this that I don't like is, no matter what order you do it in, some people feel-- Some people get-- We try to do it in the fairest way. Who brought them in first, comes first.

MS. O'KEEFE: That's fine.

Some of the great comments made today and some of the facts that I wanted to bring out were, actually, covered already very well by Jeff -- the other Jeff, from the Convention Center.

ASSEMBLYMAN CONNERS: Do you want some water?

MS. O'KEEFE: Yes, thank you. You can pour it.

My name is Teddy O'Keefe. I am President of Smith O'Keefe and Associates, which is a marketing public relations firm that has many tourism clients, including hospitality, golf, etc. I also serve on the board of the Greater Atlantic City Regional Tourism Council.

Today, I'm here to speak and represent the Greater Atlantic City Golf Association, mainly because that has become an enormously popular game. By the way, it's the oldest sport in the world.

In the '50s, there were only about 3 million players. Reason being, there were -- about two out of three facilities were private in those days. Now, there are 28 million players. And about a third of them live within a three hour drive of our region. And 70 percent of all golf facilities are public access today. That means we have a tremendous opportunity to add diversity to our region, to our state. And I think the Greater Atlantic City Golf Association has done just that.

Back in 1995, just an aside, when the Atlantic City Convention Center was being built and the then-staff was taking Atlantic City on the road to introduce it to New York, Chicago, and other venues, we read about the story. I was representing some golf courses at the time. And the owner of the Atlantic City Country Club, which, by the way, was 100 years old at that time, read that this was going to happen, called the convention center, and said, "What are you taking that's going to represent golf?" And they said, "Do we have golf in the region?"

Well, that spurred a breakfast meeting, about a week later, of golf course owners in the region, private, public, whatever, and put it all together --

and put an association together. This is not an association of just people who meet and talk about the industry. This is an association that every one of those members -- the founding members put -- invested over a half a million dollars each. There's been \$4 million spent on marketing, from private funds from this Association, to drive business to this region.

The results have been that Atlantic City and the State of New Jersey, by the way, is now positioned as a golf destination, which it was never considered that, previous to this.

All the national publicity that Atlantic City has garnered for its quality golf has resulted in more awareness of the State of New Jersey and the golf it has to offer. This private funding has spurred this over the past seven years. The flip side of that is, it's also made this region a golf boom, according to the publicity and other developers coming in and building golf courses. That's a positive, except we're going through a hiccup right now. That means the local golf -- our founding association -- has a smaller piece of the bigger pie. But they are the ones who are funding that, driving that business.

What has resulted is-- The mission of the Association was to drive multiple-day stays to the region. That was what they felt was necessary. They would not grow their business with just local golf. They needed to be a part of tourism. So they formed this Association. And, with this marketing campaign, they set up a very convenient way for tourists to book here.

They set up an electronic network long before Internet became popular. We were one of the first destinations along the East Coast to be able to book that region on-line for multiple-day stays here. They connect the golf

courses and the hotel partners to a central call center, a central Website -- one resource that can build the entire golf package. *Package* is the word.

We have, this year, to date, as of May -- I have to still get all my reports for June and July-- We have booked 9000 packages. That does not count the booking on-line, the booking on the call center for just tee times to add to their vacation, to enhance the product.

These are packages. These are three-day stays, two-day stays, three rounds of golf. This fills hotel rooms. The average golf traveler spends \$850 on a trip. That is just for their transportation, their local transportation, their food, their lodging, and their entertainment, and shopping. That adds greatly to what we said -- that \$28 for every dollar spent.

So it's bringing a lot to the state. It's bringing a great image to the state. It is the engine that drives this -- the golf in this state is Atlantic City. So why fund just Atlantic City? Well, Myrtle Beach in South Carolina, Pinehurst in North Carolina, Ocean City in Maryland and Virginia Beach and Williamsburg in Virginia-- They have matching funds with their golf associations, because they drive the engine for that industry in the state. They have a tremendous amount of economic impact study to show the Legislature what they do. We don't have that. This is all private funding. It will continue.

The bottom line is, I think that the State needs, desperately, a very strong leader as a head of tourism, as a cabinet post. I really support Assemblyman Asselta's efforts in that part. I believe that matching funds for cooperative advertising, the way it's done with private funding, needs to be in place.

With the cooperative partners that the Association has -- hotels and other partners, whether it's airlines, with the Convention Authority, with the Transportation Authority -- we have forged relationships to make sure that, if there is advertising, there's a destination ad being done that's all inclusive. This is something the State should be doing, and doing more organization togetherness in that.

To answer your question about the regional tourism councils' cooperation, that's another-- We feel they need more. That is all pro bono, volunteer people that are putting a tremendous amount of effort and work into those regional tourism councils. Yes, two of the councils down here are now cooperating with each other. I think there has to be-- And if there was a strong leader in the state to bring all those regional tourism councils together to make it happen--

Thank you very much.

ASSEMBLYMAN VAN DREW: You're welcome. I'm glad you got your water.

Just to be clear, I, maybe-- I mentioned this in the beginning, just so you understand. I think we all are on board with that. I mean, we are all on that legislation with Assemblyman Asselta. So it is actually the initiative now of the Legislature -- or actually that Committee -- of the Tourism Committee. You don't have to convince us.

Okay?

Thank you.

He's done a good job.

John Huber? There you are.

So don't feel bad. He went after you.

JOHN F. HUBER III: I was going to say ditto to almost everything that's been said up here today.

ASSEMBLYMAN VAN DREW: You want some water?
(laughter)

MR. HUBER: No, I'm all right. In fact, I think I've had too much water. But that's all right. (laughter)

ASSEMBLYMAN VAN DREW: That's going to be the problem with this whole-- We're going to have to take a break pretty soon up here.

MR. HUBER: I know you had a lot of personalities up here from the radio, but I was a TV host for many, many years.

ASSEMBLYMAN VAN DREW: You should have told us. You would have got to go in the first five.

MR. HUBER: Wait until I finish. What I was going to say was, on a very, very, very, very popular Sunday morning TV talk show, which was canceled. That shows you.

Before that, I did have Nick Asselta on the show a couple of times. During those appearances, he was promoting this idea of a tourism department. This goes back over the years. So Nick's been on this for a number of years.

I know this has been pushed here and promoted here today, but let me ask the question. What's the chances of having this done, and what more can we do to make sure that it happens?

ASSEMBLYMAN VAN DREW: I think, by your testimony today, by the testimony we've had in the past, by the fact -- you know, just to be very

candid about it -- that it is a bipartisan effort. If it was only me, or if it was only Nick, or if it was only Assemblyman Conners, or if it was Assemblyman Guear, then I think we would have an even more difficult road to travel.

Quite frankly, in the past, under the past administration, this idea was out there. Over years, as you know, and you alluded to before, it really didn't go very far.

We are hopeful now. Certainly, we can't guarantee that. But we are hopeful now that, with this bipartisan level of support and a continual push, that eventually will happen.

You know, all the great things that have happened in Atlantic City and in Cape May and Cumberland County -- and there's a lot more work to do -- they don't happen over night. You have to keep pushing. You have to keep working. It's always much better, quite frankly, if it's done with legislators working shoulder to shoulder on a bipartisan level. If it is only one group or the other, it's far more difficult.

So I'm hopeful. And I know we're going to discuss it more. Jack's over there. He's getting tired. He's standing up. But I know that we've discussed it already, and we're going to discuss it more at the Committee level as we go forward.

It's good to see that, on the legislation itself, that legislation has been taken, tweaked slightly, and that Assemblyman Asselta and Assemblyman Guear and myself are on there as first prime sponsors of the legislation. The trick now is going to be able to find the will in the administration itself, the executive branch, as well as, I guess, the financial resources to be able to do it.

MR. HUBER: Well, I know they're talking about budget shortfalls and all this stuff. But I wonder what the bulls on Wall Street would do if you handed them something and said, "Here, put up a dollar. At the end of the year, we're going to give you \$21 back."

ASSEMBLYMAN VAN DREW: I don't know. What did they do in the past years?

MR. HUBER: Well, that would-- What, the bulls?

ASSEMBLYMAN VAN DREW: No, I mean-- That's exactly what I'm saying. It has been-- This is a tough-- And that's what I tried to allude to in the beginning. This has not been an easy process. To get the leaders in the State of New Jersey, throughout the state, in the northern part of the state and the central part of the state, to understand how important tourism is has not been an easy process. Otherwise, quite frankly, we wouldn't be having this discussion. That legislation would already be law. It hasn't been easy to do. This is nothing new. This is nothing that has happened in the last six months. So do I think that, instantaneously, it's going change? No. But I think if we show perseverance and we continue to push and work at it, that, very well, over time, it could. It's going to require everybody, as I said before also, working real hard on it.

MR. HUBER: Just two more comments. One, there was some allusion made to the school situation. A few years ago, I approached the local school district about doing something in the local schools about infusing, if you will, into the curriculum something about tourism and courtesy and things of that nature, to the kids who are going to be coming along and going into this

industry over the years, and even, maybe, helping their parents recognize the value of this.

I was prompted by a seminar that I participated in at the Salvation Army with a group of people. In attendance were 60 youngsters from age nine to sixteen. When I got to my part in the program -- and these kids were sitting out front-- I said, "Kids, let me ask you a question. Give me a show of hands. How many of you know what a tourist is?" There were 60 kids there, and they were nine to sixteen. Not one of them raised their hand. These are local kids.

I said, "All right. How about another one? Do you know what a conventioner is?" I knew that would be a little harder. Not one of them raised their hand. Sitting on this platform with me was a high school teacher who went like this. (indicating) Then I went and talked to the superintendent. He wanted \$475,000 to begin to infuse this into the program.

But, anyway, it's something that should be done, I think.
(laughter)

In any event-- Not the \$475,000.

ASSEMBLYMAN VAN DREW: I was just going to say the \$475,000.

MR. HUBER: No, no, no. I told him, "Give me a mimeograph machine and a roll of paper, and I'll get it done for you."

One other thing. As far as the competition from Philadelphia and other areas-- Some of this has been said before. We've got a lot of assets here that they don't have. So we should promote them and do a good job in doing that, which was said before. Let Philadelphia come in. We don't want to see it happen, but if it happens, it happens.

We have scratched the surface here. We've got a lot more that we can do. There's a lot more that can be done with better promotion, with more dollars into the pot to get the job done. That's what it's going to take.

So thank you. I want to appreciate-- I think we're preaching to the choir here, but, nevertheless, thanks for being here.

ASSEMBLYMAN VAN DREW: Thank you. Thank you for testifying.

Do we have anybody else?

JOANN DelVESCIO: Two minutes, not even.

ASSEMBLYMAN VAN DREW: Sure. You're not on the list.

ASSEMBLYMAN ASSELTA: Oh, wait a minute. You're from Cape May County? No. (laughter)

ASSEMBLYMAN VAN DREW: This is Joann DelVescio.

Joann, come on. Come on.

MS. DelVESCIO: I've been waving my little white sheet here.

ASSEMBLYMAN VAN DREW: Go ahead.

MS. DelVESCIO: I'm like the outsider here. I'm from Cape May County.

I'm Joann DelVescio. I'm the Executive Director of the Greater Ocean City Chamber of Commerce.

Our Chamber represents 425 business members in Ocean City. As most of you are aware, Ocean City tourism is the only industry in Ocean City. So we are extremely reliant on the Office of Travel and Tourism and the funding that it does receive.

We have worked very closely in the past few years with my colleagues from the Atlantic County Mainland Chamber, as well as the Atlantic City Chamber and the Convention and Visitors Authority, because we felt as though we had to approach a regional effort to promote the area.

Sometimes, those of us in the tourism industry, we are our own worst enemy. There was a time where we all had blindfolds on, and no one wanted anyone to leave the little community that they were coming in to vacation.

Well, over the past few years, we realized that the visitor who's coming in from the tri-state area, or wherever they're coming from, they don't really care when they cross that boundary line between Ocean City, Sea Isle City, Avalon, Stone Harbor, etc. They just care that they're coming down to the Jersey Shore to enjoy themselves. So we really are trying to work together to promote the region for people to come down and stay down at the Jersey Shore.

We are losing people to the Outer Banks of North Carolina. We're losing people to Virginia Beach. This year, in particular, I can tell you, because we have a relationship with the AAA agencies in the tri-state area, we are losing people to cruises and to the islands. People are looking and saying, "This may be the only time in our life that we are going to be able to go on a cruise or go down to the islands, because it is so cheap." Airlines are cheap, and they're really doing some heavy promoting.

We thought this was going to be a banner year for us at the shore. We're doing okay. The next two weeks should prove to be really strong for us. But I can tell you, we had an extremely weak July in Ocean City. We had a

great Fourth of July weekend, and we just thought we were going to coast right on through.

The market, right after Fourth of July -- it tanked for us in Ocean City. And for the following two weeks it's been that way. It has started to pick up this week, but again, we just thought that this post-9/11 everyone was going to be coming down to the shore, people were going to be staying closer to home. We're finding, like I said, in speaking with some of the travel agents, there are these incredible deals out there that are happening, and people are looking to go elsewhere for the first time.

If the travel and tourism industry, the Office of Travel and Tourism-- We depend so heavily upon them and what they're doing to promote the state. We, in Ocean City, we don't have a tourism tax. We have a \$109,000 budget to promote Ocean City. That's not a lot of money for us. But it's all that we've been able to garner. So we try to ride on the coattails of what the State Office of Travel and Tourism is doing. When they put ads in different national magazines, we try to go in and do a cooperative ad with them, so we can get some information out there about Ocean City.

But we are so dependent upon them going to travel shows that we could never afford to go to. We need them to be out there in those markets competing with the Outer Banks and the Ocean City, Marylands and some of the other destinations that are in the Eastern corridor of the United States.

You know, I know that Assemblyman Asselta has a legislation in. And we've talked about this for a number of years -- that we really are hoping that that legislation does get approved to fund a department in and of itself. But more important is, not only funding the department-- The department

needs the money and the resources to be able to promote the state. I think that has to go along with just putting a department in there and saying, "Yes, we now have someone who's going to be heading the Office of Travel and Tourism. It's going to be a position that's going to be a nonpartisan position and, maybe, remain the same for years and years and years." But we have to be able to provide them with the funding tools to be able to go out and promote the state.

So, again, I say to you, Ocean City-- There isn't anyone here from Cape May County, so I'm sort of it. But we do try to work with the different communities. But it would have such a devastating impact on us if we start to -- if we continue to lose the market share that we are seeing that we are losing to some of these other destinations in the Eastern region of the United States. You know, that 425 businesses that I have in Ocean City, if they all start seeing negative numbers, it's going to have an impact on the quality of life in Ocean City, not only, just, the business communities.

So I thank you for hearing us out today.

ASSEMBLYMAN VAN DREW: Thank you, Joann.

Anybody else? (no response)

MS. O'KEEFE: I might add, the Greater Atlantic City Golf Association is Atlantic and Cape May counties.

ASSEMBLYMAN VAN DREW: Okay. You've got to put that Cape May name in there. I was going to say it before, when they were talking about the College. It was Atlantic Cape Community College, right?

Assemblymen, did you have anything else?

ASSEMBLYMAN ASSELTA: Great job. And I'd like to thank whoever is left for enduring. We have our task.

ASSEMBLYMAN VAN DREW: The Assemblyman on this side. Jack, you were there -- you had to stand up for a little while. How are you doing?

ASSEMBLYMAN CONNERS: Stretching my legs.

ASSEMBLYMAN VAN DREW: I usually sit right next to Jack on the Gaming and Tourism. We make him sit down, though.

ASSEMBLYMAN CONNERS: Well, you're used to me walking around.

ASSEMBLYMAN VAN DREW: There you go.

Assemblyman Fisher.

ASSEMBLYMAN FISHER: I just think it's great that everyone took time out of their day to come in and testify so that we can begin to tackle these issues and continue to tackle these issues.

ASSEMBLYMAN VAN DREW: Yes.

And, of course, we have our representative, as well, from--

Did you want to just introduce yourself?

THADDAEUS DIGGS: Sure.

I am Thaddaeus Diggs. I am the Legislative Liaison for the New Jersey Commerce and Economic Growth Commission.

ASSEMBLYMAN VAN DREW: Thaddaeus is here to hear our concerns. We actually put forward legislation that, kind of, got stopped, right, Thaddaeus?

MR. DIGGS: Yes.

ASSEMBLYMAN VAN DREW: That was just minimal, just to -- Actually, this was Assemblyman Guear and myself -- to try to get a separate report of how tourism is doing, not even make a separate department, but a separate report. But we weren't too successful in that, were we, Thaddaeus?

MR. DIGGS: We're working on it. Our annual report for commerce--

HEARING REPORTER: Excuse me, Mr. Chairman. He has to come up to the mike.

ASSEMBLYMAN VAN DREW: I'm sorry, Thaddaeus. Would you come up? I'm sorry.

MR. DIGGS: That's correct about the six-month reporting legislation. But our annual report, which is due no later than September 30, should be available to everyone. And tourism will be included in that report for commerce.

ASSEMBLYMAN VAN DREW: Okay. Thaddaeus, while you're here, is there going to be a particular effort made to separate, and isolate, and explain more what's going on with tourism within the department? Do you know?

MR. DIGGS: Our office is always open to any questions that, as you know, the Assembly and the Legislature has. Our director has been working with the regional tourism councils. She's been out in the community -- Nancy Byrne.

ASSEMBLYMAN VAN DREW: Yes.

MR. DIGGS: She could probably address that question more accurately than I would be able to, at this point.

ASSEMBLYMAN VAN DREW: Okay. I didn't mean to put you on the spot.

MR. DIGGS: Maybe you can invite her to testify or come before your Committee.

ASSEMBLYMAN VAN DREW: I think they are, actually, before the Committee. I think they're working on that.

MR. DIGGS: Okay.

ASSEMBLYMAN VAN DREW: Thank you, Thaddaeus. I didn't mean to put you on the spot. You weren't ready for it.

MR. DIGGS: No problem, anytime.

ASSEMBLYMAN VAN DREW: The meeting's adjourned.

(HEARING CONCLUDED)