
Committee Meeting

of

ASSEMBLY TOURISM AND THE ARTS COMMITTEE

"The Committee will take testimony from invited guests about issues affecting the tourism and arts industries, including performing arts and sports entertainment, in Atlantic City and the surrounding area. The Committee will also hear an update on the progress of the Atlantic City Tourism District, designated pursuant to P.L. 2011, c.18 (C.5:12-218 et al.)."

LOCATION: Dante Hall Theater
Richard Stockton College
Atlantic City, New Jersey

DATE: September 19, 2012
11:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Matthew W. Milam, Chair
Assemblywoman Valerie Vainieri Huttle
Assemblyman Chris A. Brown
Assemblywoman DiAnne C. Gove



ALSO PRESENT:

Amy Denholtz
Office of Legislative Services
Committee Aide

Jillian Dempsey
Assembly Majority
Committee Aide

Glen Beebe
Assembly Republican
Committee Aide

Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

TABLE OF CONTENTS

	<u>Page</u>
Alexander Marino Director of Operations Dante Hall Richard Stockton College	7
John F. Palmieri Executive Director Casino Reinvestment Development Authority	8
Jeff Guaracino Chief Strategy and Communications Officer Atlantic City Alliance	17
Cynthia Lambert Executive Director South Jersey Cultural Alliance	18
Grace Hanlon Executive Director Division of Travel and Tourism New Jersey Department of State	22
Sharon Franz Director Sales and Marketing New Jersey Travel Industry Association, Steel Pier	40
Maureen Bugdon President Atlantic City Race Course	42
Jim Quarella Owner Bellview Winery	45
Pinky Kravitz Private Citizen	62
Lance Fung Founder Fung Collaboratives	67

TABLE OF CONTENTS (continued)

	<u>Page</u>
Bill Horin Creative Director ArtC	78
Michael Cagno Executive Director The Noyes Museum of Art of Richard Stockton College	80
Marguerita Nanfara Private Citizen	86
APPENDIX:	
South Jersey Cultural Alliance 2012 Annual Report, and New Jersey State Council on the Arts report submitted by Cynthia Lambert	1x
Testimony submitted by Grace Hanlon	51x
Letter, addressed to Committee Members from Anthony T. Catanoso President Steel Pier submitted by Sharon Franz	52x
Testimony submitted by Maureen Bugdon	55x
Testimony submitted by Jim Quarella	61x

TABLE OF CONTENTS (continued)

APPENDIX (continued)

	<u>Page</u>
Testimony submitted by Bill Horin	63x
Testimony submitted by Joseph D. Kelly President Greater Atlantic City Chamber	65x
pnf: 1-92	

ASSEMBLYMAN MATTHEW W. MILAM (Chair): Good morning, everyone, and welcome -- welcome to Dante Hall, Richard Stockton College.

It is for me, as Chairman of the Tourism and Arts Committee through the State of New Jersey, a great pleasure and honor; and with the support of the Speaker of the House, Sheila Oliver, and Majority Leader, Lou Greenwald, sharing and supporting the vision of me continuing taking the Tourism Committee to where it happens.

We can sit in Trenton; we can hear testimony from the people who come there. But I knew when I had the honor of being named Chairman that in order for us as a Committee to get it, to understand what has to happen for us to exceed and just excel in selling New Jersey as a great destination, we have to go to the destinations. We have visited some great, great areas as a Committee. Nothing like being in someone's backyard and letting them boast; let them boast about what they have. Let's hear if there are any problems and let's continue on how we can still market New Jersey as the greatest destination. And that is one of my big focuses. And the people who follow me, they know I'm about getting that message out.

It is a real honor for me to be here with everyone today. I want to thank Assemblyman Chris Brown and his staff for coordinating with the Majority Office in Trenton to make this happen.

Assemblyman Brown, thank you.

ASSEMBLYMAN BROWN: Thank you.

ASSEMBLYMAN MILAM: I just have a couple of housekeeping items.

On the table, when you come up to testify, you're going to see a series of microphones. The little ones are not to broadcast -- they're only for recording for the Office of Legislative Services -- who I also want to thank for-- They kind of just uproot themselves out of the State House and have to bring everything here. And I always like to recognize the Office of Legislative Services for supporting me as well.

The little microphones are for recording; the big ones are for the broadcasting of your voice -- because a lot of times you just want to kind of grab that and want to talk through it.

I also have to do an attendance. And I'm going to ask Amy from OLS to do attendance for our Committee.

MS. DENHOLTZ (Committee Aide): Assemblywoman Gove.

ASSEMBLYWOMAN GOVE: Here.

MS. DENHOLTZ: Assemblyman Chris A. Brown.

ASSEMBLYMAN BROWN: Here.

MS. DENHOLTZ: Assemblywoman Vainieri Huttle.

ASSEMBLYWOMAN VAINIERI HUTTLE: Here.

MS. DENHOLTZ: And Chairman Milam.

ASSEMBLYMAN MILAM: Here.

Before I start, I just want to ask the Committee if they have some very short comments before we get started. And I want to start with our host, Assemblyman Brown. And, again, Assemblyman, thank you. Thank you for putting this together for us.

ASSEMBLYMAN BROWN: Thank you.

You know, first of all, most importantly I want to thank our Chairman, Assemblyman Milam, for holding today's hearing here in

Atlantic City. It's an example of how working together we can make a difference and we can promote not just our own districts, but the State as a whole. So we all really owe a thank you to our Assemblyman for allowing us to be here today. Thank you, Matt.

ASSEMBLYMAN MILAM: It's my pleasure.

ASSEMBLYMAN BROWN: I want to thank his staff who worked so hard. I know they were back and forth on the phones trying to make sure this came together. I want to thank you as well.

And, of course, my staff who worked so hard to make sure the accommodations were set up and that everything runs smoothly.

I want to thank Stockton College for allowing us to use this beautiful facility. And, most importantly, I want to thank all of you who are here today. The reason that the State Committee is meeting in Atlantic City is because the understanding that the arts are important, that the arts are something that we can use, not just for the artists themselves, but to create business, to create opportunities. We all agree: For Atlantic City to succeed we have to continue to reinvent ourselves and offer new attractions. Done properly, the arts community will play an important and valuable role in Atlantic City's continued success. The arts creates jobs and employs artists, managers, marketers, technicians, teachers, and workers in a wide variety of other trades and professions. Like other jobs, arts jobs help to pay mortgages and send children to college.

I believe we're in a unique situation here in Atlantic City to create a thriving arts community -- a community that has the potential to broaden the appeal of Atlantic City. To create this community, first and

foremost, we need the artists. And we can build an arts center, but without the artists it's just an empty shell.

We need each of you -- from the sculptor to the dancer to the painter -- not just from our community, but from around the world -- to realize that this plan can become a reality. In order to attract the artists, what do we need? We need affordable housing and we need the opportunity for them to present their artwork to the rest of the world. And we here in Atlantic City offer both of those things. And there will be an opportunity for that young artist who wants to try to make a name for himself or herself to come here and go ahead and create their art.

And it's with the help of people like Assemblyman Milam and everyone else on this Committee -- who I also was neglectful, but I want to thank my colleagues for traveling down to Atlantic City today and taking part in the hearing here. And I would encourage you while you're here to, please, "Do AC" (laughter) and feel free to spend some money. We certainly would appreciate it.

But the bottom line is the arts have the ability to create jobs. It's an opportunity to think outside the box. It's one more piece of the puzzle to making Atlantic City the premier destination that we all know it is.

And I want to thank all of you for being here, and your input is, obviously, very important. And I thank you.

Thank you, Assemblyman.

ASSEMBLYMAN MILAM: You're very welcome.

Assemblywoman Vainieri Huttle, thank you for coming all the way from Bergen County, down to join our Committee today.

ASSEMBLYWOMAN VAINIERI HUTTLE: Thank you, Chairman.

And I want to thank Chairman Milam as well. I think Assemblyman Brown has said it all, so there's not much left for me to say, but to also-- I mean that in a positive way. (laughter)

ASSEMBLYMAN BROWN: That's all right.

ASSEMBLYWOMAN VAINIERI HUTTLE: But I look forward to the witness list today, because I think we have a host of different voices and I look forward to hearing them.

But also, as you heard -- Assemblyman Brown said -- art also means economy and jobs. And it certainly doesn't impact just South Jersey; but what we do here in Atlantic City impacts the entire state. So I'm proud to be representing, from Bergen County, down here to listen and to make sure that Atlantic City is a destination and it is a positive destination for the entire State of New Jersey.

Thank you, Chairman.

ASSEMBLYMAN MILAM: You're welcome. And I want to note that one of our Tourism Committee meetings was at the Bergen PAC, in Assemblywoman Vainieri Huttle's district. And just what a great way, as I mentioned earlier, just seeing how theaters work and just how everything is working, whether we are touring the cities down here along our coastline, or whether we're visiting the arts and the theaters. It's just amazing what this state has. It's kind of like one of those secrets of -- it's a hidden treasure. Well, you can't really hide it anymore; we have to get that word out. A lot of people may mention many times: nothing like sitting in your own living room and seeing commercials for other states, "Come to our

state, come to our state.” And when we’re sitting there watching it, it’s like, “They need to watch our commercials about New Jersey.”

Assemblywoman Gove.

ASSEMBLYWOMAN GOVE: Thank you.

Thank you, Mr. Chairman. Thank you all for coming. Thank you for having us here. Thank you, Assemblyman Brown, for hosting this.

Atlantic City is an important destination. It’s very important for the State of New Jersey. It’s a beautiful town. And I’m right a hop-skip-and-a-jump up from here -- Long Beach Island.

So the tourism-- And the importance of tourism and the arts is very, very important not just to this area, but to -- as the Assemblywoman said -- the whole state. And we have people from all over this state coming here, us going there, and it’s very important to share what everybody has -- especially trying to make New Jersey a premier tourist area; and the arts are very important.

I think, as the Assemblywoman said, the Assemblyman said it all. But just to say that it is important, not just to Atlantic City but to the whole state -- over the mainland -- the artists just don’t stay here, they’re all over. And I think it’s great that New Jersey has a great artist colony throughout the whole state, and I think we’re going to be hearing from them today. And it is important to Atlantic City to change its image; it’s not all casinos. There is so much here.

So we’re going to hear that, and New Jersey will become -- or I shouldn’t say will become -- is a premier tourist destination, and will become even a better one with what we see for our artists, and for all of what we’re going to be hearing today.

So thank you all for coming. It may not be the most beautiful day as it was a couple of days ago, but it's still a nice fall day here in Atlantic City. And so enjoy what you're going to hear today and enjoy Atlantic City.

Thank you.

ASSEMBLYMAN MILAM: Thank you.

As you can hear from the Committee, they're enthusiastic along with me, as much as you folks are, about each and every thing that you do.

We have a number of people who had signed up prior to, that we had lined up for speakers. We also had some who had actually hand wrote their witness testimonies in. We will try; we're on a very tight schedule here, so we will definitely try.

Before I start on the witness list and the testifiers, I want to recognize the Director of Operations here at Dante Hall, Alex Marino. And I want to know if Alex wants to come up, along with Stephanie Clineman, who is the Theater Manager for Dante Hall Theater, Richard Stockton College. If they would just want to come up and say a couple of words.

ALEXANDER MARINO (off mike): Chairman, I'm actually up here making sure everything goes well. (laughter) So again, thank you for coming -- thanks everybody for coming. Thanks to everybody else for coming. We'll just keep it moving.

I do want to thank Stephanie Clineman, our theater manager here. (applause)

It's all yours.

ASSEMBLYMAN MILAM: Thank you.

I also want to recognize the Atlantic County Sheriff. Frank Balles is with us. Sheriff, thank you for being here with us. We know we're all safe now that the Sheriff is here and he has nine officers stationed outside. (laughter) Thank you again, Sheriff.

We're going to start our list with Casino Reinvestment Development Authority Chairman John Palmieri. Please come up, John, and welcome. Thank you for being here and congratulations on your new appointment. (applause)

JOHN F. PALMIERI: Thank you, Mr. Chairman.

Mr. Chairman, Assemblyman members -- it's a pleasure to be here.

I've been on the job now for about 11 months and have managed to get my feet more than wet. I'm wading into the redevelopment program for the Authority; and with the Governor's support, obviously, and our Assembly delegation, and Senator Whelan we have been getting terrific support and the advice and counsel that we need to move the program forward for developing the Tourism District in this city.

If I may -- and I know that you will have a number of speakers beyond those who have been identified to testify -- I'd like to keep it short, but just, briefly, I'll let you know that about 18 months ago the Legislature approved kind of an amended program for CRDA -- a legislative program that gave us additional authority, including Special Improvement District executive responsibilities, a partnership with the Atlantic City Alliance -- and I know that Mr. Guaracino is here to talk about his role in promoting and helping to rebrand, and create that campaign for us and the city. As well, we are in the midst now of preparing to merge with the Atlantic City

Visitors and Convention Authority which, again, has been called for by the legislation. My sense is that that will happen some time within the next six months.

One of the important things that the legislation called for was the creation of a master plan, which is a very important thing for the Legislature to consider, as being integral to moving redevelopment forward. When I took the post, we were on the eve of commissioning consultants to provide us with advice. I spent the first four months on the job working very closely with the community, elected officials, business representatives, and interested parties in putting a very aggressive plan together that was approved last February. Again, required by legislation, now in place, and it is providing us with sufficient guidance to allow us to place priority on important things that we need to get done.

Mr. Chairman and members, you all know that the principal responsibility of the CRDA is to work on the non-gaming redevelopment programming, and development initiatives and strategies for the city. We certainly understand and recognize the critical importance that the casino industry brings to this city: 30,000-plus jobs, the tax base -- it represents about 70 or 80 percent of all ratables within the city limits. But our responsibility is to go beyond that and to look at the other sectors -- what we can do to grow the economy, what can we do to diversify the base of activity here.

And so we've been focusing on other things: the Margaritaville project; Cordish development has recently presented a Bass Pro Outlet proposal that we acted on just yesterday; and a number of other non-gaming and affiliated non-gaming activities that, in my judgment and of our

Board of Directors, are going to be absolutely integral to creating a more diverse economy, expanding the base, and supporting casino gaming but going beyond casino gaming.

And, specifically, one of the things that the community made clear to us was that we have to focus on the role that the arts can play in diversifying the economy. CRDA for years has done a number of things to support the arts, but now we're more focused on specific things that we ought to be doing to make a difference. For instance, the building that we occupy now that Stockton now manages was renovated with CRDA funds. And I wish I had the exact number, but it was millions of dollars in funding to renovate this as a cultural facility for the community. The symphony performs here; community groups, musical groups, theater groups all perform here. We helped to make that happen. That's our role and responsibility.

But more directly, at this point in time what we've begun to focus on and the things that can be game-changers: We built a public garage; just a few months ago it opened up. As part of the development program for the garage we installed 17,000-square-feet of retail space -- so-called retail, traditional-looking retail space. And we've been working with Stockton over the past several months to create an arts enterprise within those smaller, retail units. We have a working agreement in place now to have Stockton manage that. They manage this facility. This is what we see as the opportunity to create a bona fide arts community within the center of the district.

And so we and Stockton, with any luck, will have an agreement that will allow Stockton to introduce museums, gallery space, and other art-

type spaces, including school programming for their students within the midst of downtown.

Beyond that we now make available grants that total about \$300,000 a year to support arts programming. We support the symphony and the local ballet, and provide support for musical activities at Gardner's Basin and throughout the city within the Tourism District. And we provide incentive grants that leverage up to 70 percent of private and additional public funds to do important arts programming within the city limits. Now, this is over and above the activities that the city supports. This is meant to enhance that type of programming for the kinds of groups that bring value on the arts front to this city. And so we're pleased with the progress that we've been making on that front.

We've also been supporting the Atlantic City Alliance. Our partner -- legislative partner-- We've been supporting them in activities that are meant to attract additional visitation for arts-type purposes. And I know that Jeff Guaracino is going to talk a little bit in more detail about it but, just as an example: We spent a couple of million dollars just several months ago to install the hardware necessary to make the 3-D light and sound show possible at Boardwalk Hall -- which is a kind of terrific way to get people to pay attention to Atlantic City as the place to come and enjoy the evening; maybe they might want to gamble, but you can do a lot more. You can go out and listen to music or enjoy an evening of dining out, and take advantage of this exceptional installation.

Likewise, there are several other major lots -- vacant lots -- owned privately that we've talked to property owners about. And they agreed to terms that would allow us to license those larger lots throughout

the city and close to the Boardwalk for arts installation-type projects. And so this year we'll be talking, and Jeff will be talking in a little bit more detail, but our role as partners is to gather funds; identify, create strategies; cut deals with private property owners to make these kinds of temporary installations possible. By temporary I mean-- I would say between a 1- and 5-year timeframe. That's part of the program for us, to use those vacant lots and take advantage of opportunities. We've committed \$6 million to DCA initiatives over the next few years. We began with the Boardwalk Hall facility and we expect to be doing another two or three important projects over the next 12 months with the Atlantic City Alliance.

And so we have an historic city; we understand the role that we play in creating a clean and safe environment. And the Governor made that clear to me when I took this job that that really is a threshold issue. If we're going to get people to visit, if we want to increase visitation by millions of visitors, we need to do all that we can to create an enjoyable place to visit. And that means more ambassadors working with the police department -- Commander Gilbert is here full-time, assigned through the Attorney General's Office to provide us with technical advice and integration of ideas with the police and sheriff's office, as well as our ambassadors.

And so it's a multi-tiered effort. The arts can be central to it; we all have read enough about what the arts mean to the economy. You all know that. This is your Committee. If you spend \$1 on the arts you're generating another \$1 or \$2 in private and other public financing.

So obviously it all gets down to creating jobs, enhancing the environment for visitation, and focusing on those non-gaming elements that can help make a difference.

And I'm not sure that I missed anything; there may be questions. But those are the highlights of our responsibilities and our focus in taking advantage of an arts community within this -- principally within this district, but city-wide.

Thank you.

ASSEMBLYMAN MILAM: Thank you for your testimony.

I'm going to open to the Committee to see if they have any questions.

Assemblyman Brown -- any questions?

ASSEMBLYMAN BROWN: I just-- If I could, I'd like to thank Mr. Palmieri for being here, and I also want to let everyone know from the State that we couldn't have a finer person in charge of CRDA at this time. It's an important time for our region; it's an important time for our State. And you have no finer individual than you do in Mr. Palmieri and the direction that he's taking us. And since we're all here, I'm glad you all got to meet him. And if you have anything you want to ask him, he's always available, he's always accessible. And I thank you again.

MR. PALMIERI: Thank you, Assemblyman.

ASSEMBLYMAN MILAM: Thank you, Assemblyman Brown.

Assemblywoman Gove.

ASSEMBLYWOMAN GOVE: I really don't have a question; I just want to make a comment after all what you said. And it's a comment that, I guess, I just have to say one thing: You've heard this throughout the

day, and you're going to hear it again looking down the list, and I think we have to-- It's a great partnership, and that's with Richard Stockton College. You heard it, you hear with the CRDA, with the building. Here in this building -- they're all throughout Atlantic City. I think one thing, sometimes colleges just stay-- Stockton is in Galloway, but it does not just stay on the mainland in Galloway. It has-- Dr. Saatkamp and the staff have made Stockton part of Atlantic City. This partnership between Stockton and Atlantic City, I think, is tremendous. And I think that's what's also going to help -- as you say, with the CRDA, with developing non-gaming and all around. So I can't say that enough, that Stockton-- And Richard Stockton College is not just a liberal arts college on the mainland; it is a viable partner with the City of Atlantic City. And it's going to help make Atlantic City a tourist area premier because it is really showing a lot of things. And you're seeing it just by the number of people here and who you're going to hear from.

So I just had to put in that plug for Richard Stockton College.

MR. PALMIERI: I agree,

ASSEMBLYWOMAN GOVE: And I thank you.

ASSEMBLYMAN MILAM: John, the CRDA: Just for our own edification -- maybe the Committee -- tell us what your charge is as CRDA. Is it marketing, is it partnering, is it--? If you could just, real quick, if you can-- That way, everyone would understand, actually, what the CRDA does.

MR. PALMIERI: Well, the CRDA behaves like a redevelopment authority. The more recent legislation that improved its operation has us now focused on the Tourism District, Mr. Chairman,

which really represents the area bordered -- between the Boardwalk and Atlantic Avenue. It bulges out to include the retail precinct -- the Tanger Outlet precinct, the Convention Center area. And it also includes Bader Field and the Gardner's Basin area. It represents about 45 percent of the land area in the city, but within broad, tourism-oriented -- within that framework.

And I must say we do any number of things that redevelopment authorities do: We focus on getting, principally improving infrastructure. We built the roadway system into the Revel site; the South Inlet, which is a terrific development area; we built a garage, for instance, as an example of the kind of infrastructure that we will do -- roadway parking. We provide investment support for private sector individuals who come -- as EDA does -- and need assistance, have a gap, identify a good program but need us to invest. And so we have that authority as well to provide financing. We did it with the Steel Pier ownership team. They had a \$20 million first-phase project. We provided a \$6 million loan; there's some subordinate debt to allow them to get other equity and senior debt to do that first phase. And so we do the traditional things that redevelopment authorities do, but we also have the new power that allows us to manage the improvement district; which had always been a separate enterprise. And now, as the legislation calls for, we have a partner that focuses almost exclusively on the branding and public relations for the city and the district. So we have these relationships, although as I stated, we make funds available to community groups for purposes that advance the arts and entertainment programming for the city.

And so it's a gamut of things. We have rather broad responsibilities. And my job, frankly, is to really listen to the board and to focus on those important things that we need to do. If I had to focus on one thing, Mr. Chairman and members, it would be to really generate additional economic benefits to grow the economy, to get private sector investors like Margaritaville and Bass Outlet and other groups to come and build housing and mixed-use development. And we own property, we assemble property, we condemn property, pretty much as most redevelopment authorities do. But the principal focus is to grow the economy and to get private sector investors to come and partner with us. And we've been meeting with some success in a tough environment, not only for gaming but for other economic-type activities. This has been a tough four or five years for the nation, and I'd like to think that we're well-positioned. With the kind of work that you do, really, to help people focus on policy-- The importance of policy in directing and executing programming, I think, can only do better.

ASSEMBLYMAN MILAM: Very good. And thank you for being here.

MR. PALMIERI: Thank you.

ASSEMBLYMAN MILAM: I know you definitely have your hands full with your new position; 11 months, you said. And good luck with that. And always feel free to reach out to this Committee, and anything that the Legislature can do to just keep this ball rolling. Because as much as I always like to-- You know, we are in Atlantic City today. It is about an entire State. But, you know, Atlantic City maybe being a part of that benchmark -- in the South part, because there are other benchmarks

along-- You know, when they do good, the surrounding communities do good. Cape May County will do well, Ocean County will do well, Cumberland County will do well if the real main draw does well. Because a lot of people have to travel through those counties to get to Atlantic City. So I always think if your base is strong -- and let's call Atlantic City the base; maybe that is one destination people are definitely going to visit. If they're in Cape May County they're going to visit in Atlantic City. If they're in Ocean County, they're going to come down just because they're so close and they can't stand it -- they have to go.

Just to make sure that Atlantic City is strong, the State is going to continue strong.

Thank you, and good luck again.

MR. PALMIERI: Thank you. Thank you, members.

ASSEMBLYMAN MILAM: If I can ask someone in the back -- if those two doors could be closed? I'm just kind of losing it on a glare. Not that I didn't want to stare at you, John, but-- (laughter)

Our next speakers-- I'm going to actually start calling you up in groups. I'm going to ask for Cynthia Lambert, South Jersey Cultural Alliance; Liza Cartmell, Jeff Guaracino, Atlantic City Alliance. If they could all come up together.

Just you, Jeff?

J E F F G U A R A C I N O: Just me.

ASSEMBLYMAN MILAM: Okay. And welcome.

And I'm going to do a gentlemen's (indiscernible) thing to do, and it's ladies first.

Cynthia, welcome.

CYNTHIA LAMBERT: Thank you so much.

It's my pleasure to share data concerning the economic impact of the arts in New Jersey that was presented by Nick Paleologos at the (indiscernible) New Jersey State Council on the Arts in late July of this year.

This information all evolved from the publication of a new economic impact of the arts study done by the National Endowment for the Arts.

Thank you for your kind welcome. We believe that the arts serve not only as an economic engine, but also contribute to the quality of life, civic engagement, and learning for students of all ages; the breakdown of cultural barriers; and as a catalyst for the development of creative communities as evidenced by the energy that we see today in Atlantic City. Our congratulations to CRDA for the commitment and vision.

Now I'm going to talk a little bit about the big picture and the economy.

Public arts funding in New Jersey is currently at \$17 million, including some funding from the National Endowment for the Arts. How does New Jersey stack up against the rest of the country? New Jersey rated third in the United States for State support of the arts; New York and Minnesota are higher, at \$28 million and \$38 million a year.

Who pays for the arts in New Jersey? The answer is: tourists. Approximately 22 cents of every hotel and motel occupancy fee dollar that tourists leave behind in New Jersey supports local artists and arts organizations for a year. This comes from the New Jersey Office of Management and Budget.

How much is that as a percentage of the State budget? State budgets in arts funding is less than one-half of 1 percent of the total budget. And what does the State art funding do for New Jersey's private sector economy? In fiscal year 2012, State support of the arts leveraged nearly a quarter of a billion dollars of direct spending in New Jersey's private sector economy. And that's just the organizations themselves. A national study released in June found that the typical arts attendee spends \$25 per person, per event, beyond the price of a single ticket. New Jersey had approximately 10 million art patrons in Fiscal Year 2012.

When you include patron spending, the nonprofit arts organizations represented nearly half a billion dollars of direct impact on New Jersey's private sector economy. For every 3.5 cents that New Jersey transfers from tourist fees to local arts agencies, the grantee organizations and their patrons spend \$1 in New Jersey's economy.

Arts means business. Hotel fees awarded to the arts organizations have a direct impact on the economy in New Jersey; and if you add for-profit companies -- film, television, design, and publishing -- the arts industry in New Jersey, as the Donald would say, "is huge."

But let's not concentrate on the half-billion dollars tower of spending by New Jersey's nonprofit art sector, which is built upon the solid foundation of arts council funding, and look inside that foundation to see how those funds are allocated. In Fiscal Year 2012, the Arts Council received \$17.2 million in revenue, including NEA funds, most of which was distributed in grants. Nearly 75 percent of Council grants were for general operating or program support, followed by co-sponsored projects and local arts programs.

The Council awarded 143 GOS grants in Fiscal Year 2012, which covered a wide variety of artistic disciplines including dance, music, theater, visual arts, opera, multi-disciplinary organizations, literature, media, and arts basic to education, as well as folk arts and fine crafts.

Co-sponsored projects represent special Council priorities. Two-thirds of these funds support arts initiatives focused on economic development and education. In May 2012, the National Governors Association released a report on the arts as an engine of growth. In the section titled, "Delivering a Better Prepared Workforce," New Jersey was singled out for its arts education census, a model partnership between the Arts Council and the New Jersey Department of Education.

The local arts program is the means by which funds are awarded to all 21 designated county arts' organizations for re-granting local aid by them. In addition, the Council on the Arts' 217 direct grants -- our local arts program partners awarded 515 grants, which impacted every county in the state.

For 25 years the Council has been one of the premier arts councils in the country and has set a record of excellence in leading the way by planning ahead.

Today now in Atlantic County a new arts plan sees empty lots as an open canvas, as personified by Lance Fung and the Fung Collaboratives. Today we see the potential for something that Atlantic City isn't known for -- it's the arts. Fung's vision has motivated the Atlantic City Alliance and the Casino Redevelopment Authority to commit about \$8 million over 5 years towards transforming vacant and highly visible lots into works of art that will address blight and esthetics in the city, and could

eventually spawn economic development as the sites gather greater attention.

More than 366,000 square feet of empty space in the lot owned by Pinnacle Entertainment will be the first canvas for Fung, whose work has been displayed at multiple Olympic Games. It will be transformed as soon as this fall into a colossal work of art, inviting visitors to sit throughout the installation and take in the landscape.

We congratulate all of you for your hard work and vision, and know that the arts bring life to our state and our cities and our communities. And we thank all of you for your dedication to this wonderful initiative that we're all taking together.

ASSEMBLYMAN MILAM: Thank you, Cynthia. It's always good to see you and hear from you to keep us apprised on what is going on. Because I know I will hear from you if there is something that runs astray.
(laughter)

MS. LAMBERT: Absolutely.

ASSEMBLYMAN MILAM: And always feel free to do that, which I always reach out to do.

I just want to reach out to the Committee-- Anyone have any comments, questions, for Cynthia Lambert?

ASSEMBLYMAN BROWN: Just thank you for your testimony.

MS. LAMBERT: Thank you.

ASSEMBLYMAN MILAM: Thank you for being here, again.

Jeff, before you start -- I just want to recognize -- Grace Hanlon has joined us, the Director of the Division of Travel and Tourism for the

State of New Jersey. Grace, thank you for being here. Do you want to hop up and say a few words, hi to anybody?

GRACE HANLON (off mike): Sure.

ASSEMBLYMAN MILAM: I didn't want to put you on the spot or anything. I just knew you were in the room, and I always want to afford you that opportunity, Grace.

MS. HANLON (off mike): Okay, I'm coming, Assemblyman.
(laughter)

ASSEMBLYMAN MILAM: Better hurry, I'm going to let Jeff go.

I also want to recognize our Freeholder Chairman for Atlantic County has joined us -- Frank Formica. Frank, thank you for being here today.

I also want to recognize a radio personality who everyone knows -- Pinky Kravitz. Pinky, thank you for being here as well.

Grace -- welcome.

And Jeff, thank you for letting Grace go before you. You know, it's about the gentleman thing with me, Jeff. You have to understand.

MR. GUARACINO: Always, always, my friend Grace.
(laughter)

MS. HANLON: Thank you. Thank you very much.

Dear Chairman Milam and members of the Committee, thank you for inviting me, for inviting the Division of Travel and Tourism to be here today. I want to begin by thanking the Legislature for its continued support, and Governor Christie and Lieutenant Governor Guadagno for their steadfast leadership and devotion to our mission.

I join you this morning fresh off the coattails of a press conference held by the Greater Atlantic City Golf Association. They announced their tourism expansion partnership with the Casino Reinvestment Development Authority and their initiatives to continue to market Atlantic City as a premier golf destination along the East Coast. The golf industry contributes significantly to New Jersey's \$38 billion tourism industry here in Atlantic City and throughout the Garden State. But to be quite honest with you, they could do better. So this was a really big deal for them to get funding, and they deserve it, so that we can really compete with Ocean City and let everybody know that Atlantic City is a premier golf destination.

I am proud of the positive and significant role played by the Division of Travel and Tourism. In both size and scope, the impact of the Division is critical on many fronts. The promotion of travel and tourism fuels many of our towns and cities by bringing thousands of people to their restaurants, hotels, retail venues, and attractions, while pouring millions of dollars into local economics. Support for the arts, culture, history, and tourism industries not only maintains the quality of our venues, but ensures that New Jersey offers financially sound, vibrant communities that are great places to live, work, own a business, raise a family, and visit. And we want to see this for Atlantic City as well.

New Jersey's year-round competitive edge has also been the result of a collaborative effort from numerous travel and tourism partners in our great towns and cities. The Division of Travel and Tourism works hand-in-hand with our destination marketing organizations -- many of which are in this room today -- and the New Jersey Travel Industry

Association; and I know you'll be hearing from her, the President of the TIA, as well today.

And we are very proud of the positive work we are doing alongside the New Jersey Sports and Exposition Authority. We are moving forward together, under the direction of the New York/New Jersey Super Bowl Host Committee, to make the 2014 Super Bowl as memorable and as successful as possible; not to mention events like Wrestlemania and New Jersey's first-ever Formula One Grand Prix auto racing in 2013.

And I'd also like to mention that we have on our Super Bowl Committees -- we have representation from Atlantic City, Sharon Franz from Steel Pier; and Jess Jaworski, Ron Jaworski's daughter, has just joined a host committee. So I'm really making sure that you're represented down here well.

The progress the tourism industry has witnessed could not be possible without your ongoing support. You have given us the tools we need to best serve the people of the great State of New Jersey.

And I ran here. So that's why I'm out of breath. (laughter) I couldn't find a parking spot.

So thank you; it's a pleasure to be here.

ASSEMBLYMAN MILAM: You ran from the golf course here?

MS. HANLON: I did -- no. (laughter) I got lost on the way from the golf course to here (laughter), and then I came here.

ASSEMBLYMAN MILAM: And Grace, thank you for being here.

MS. HANLON: But we're excited.

ASSEMBLYMAN MILAM: Yes, and thank you for being here as well.

Any questions, any comments to Grace while she's here? (no response)

Thank you for all your enthusiasm.

MS. HANLON: Thank you.

ASSEMBLYMAN MILAM: It's exactly what the Division of Tourism and Travel needed. The visions that you have, and the sharing that you continue to do; you know, our Secretary of State and Lieutenant Governor Guadagno -- and that's what has to happen. And you know we're going to be coming to you, pretty close here, for new marketing dollars, right, for the State of New Jersey? I always like to prepare you for that--

MS. HANLON: Bring it on.

ASSEMBLYMAN MILAM: --because it's-- I was just saying-- And before you got here, I am always about just promoting what this state has. I mean, if we spend \$12 million, other states are spending \$60 million and \$70 million. We've had this conversation many times. We need to get the word out more, and that's where I always think it is.

MS. HANLON: I couldn't agree with you more. And really, the support of this Committee -- it empowers me, all the time that-- I know how much you passionately care about the tourism industry, and it helps.

I want to thank John Palmieri for also making this come together for golf in Atlantic City. And we have 29 golf courses in a 30-mile radius and they're some of the top in the country. So we're ready to go.

ASSEMBLYMAN MILAM: Absolutely.

MS. HANLON: Okay, thank you.

ASSEMBLYMAN MILAM: Thank you.

ASSEMBLYMAN BROWN: Thank you.

ASSEMBLYMAN MILAM: Jeff, thank you for your patience. And I don't think I'm going to call anybody up now, Jeff.

MR. GUARACINO: Good morning, Mr. Chairman, members of the Assembly Arts and Tourism Committee, the speakers, and those gathered here today. I am Jeff Guaracino, the Chief Strategy and Communications Officer for the Atlantic City Alliance. And on behalf of our Board of Trustees and our President, Liza Cartmell, thank you for this opportunity to address this important Committee.

As an aside, I couldn't agree more with all of the comments that the Committee has made at the beginning of this hearing. I've been here working with Liza Cartmell and the Board of Trustees since March of this year; and I've worked previously at Greater Philadelphia Tourism Marketing Corporation, and we clearly saw, in Pennsylvania, the correlation between tourism and the arts, and generating people to come back and rediscover places that they thought they already knew.

And being a resident here in Atlantic City now since April, I really began to see the opportunities that exist here. So thank you for your support and for your insights.

Mr. Chairman, as you noted, the significance of the Atlantic City tourism to the economic well-being of the region and the state, and thank you for this opportunity to not only report on the Atlantic City Alliance's "Do Anything, Do Everything, Do Atlantic City" tourism campaign, but I'll give you a little sneak peek of some of the work that we've been doing with the arts as well.

As you noted, Mr. Chairman, the success of Atlantic City impacts not just the local region but the entire state. Together we must find ways to keep the world's favorite playground a top destination for visitors, especially as more competition keeps cropping up in neighboring states.

As you noted, it does take a village; it does take everyone, both private and public. And you've heard from John Palmieri here; you heard about the Golf Association coming together; and you clearly have seen, even through the creation of the Atlantic City Alliance, how private industry and the casinos as well have come together. And what this does is it makes it an important generator for New Jersey, both in jobs and tax revenue, business opportunities, as well as how people feel about the state in which they live and work.

I'd like to talk to you a little bit about the Atlantic City market conditions, because we are in a strategic crossroads and we are in need of revitalization. Gaming revenue is down, and as more states add to convenience gaming, the gaming dollar will continue to erode across the country. Our visitor volume is down from a high of 35 million in 2006 to 29 million in 2010. We've lost 6 million visitors.

The increase in competition has structurally changed the marketplace. By 2012 the supply of gaming in the neighboring states will nearly double. For Atlantic City, we need to expand and we recognize that we need to expand beyond gaming enthusiasts. We still want them. They are still critical to our economy and we welcome them here. However, gaming enthusiasts represent just 7 percent of the market population. That

leaves 93 percent of the population who can still discover and rediscover Atlantic City.

So what is the opportunity for AC? The goal is to get AC back on its historical trajectory of growth. To be competitive, we have to expand beyond our historical reliance on gaming and offer a wider range of amenities and attractions. You're beginning to hear some of them through testimony today. We must find new visitors, and our current visitors have to keep coming back more frequently. We do recognize we have to attract more groups, more meetings, and more large-scale events to Atlantic City. As you heard from John Palmieri's testimony, the CRDA has many initiatives underway to address AC's future. This year we have seen the opening of the new Golden Nugget with \$150 million investment; and, of course, the opening of Revel. Borgata has invested \$50 million in room upgrades; Steel Pier began a \$100 million, three-year project; Tropicana has expanded its non-gaming entertainment space, such as Boogie Nights, and also announced a \$25 million renovation. The Atlantic Club has rebranded and completed a \$25 million renovation. And when Revel opened many independent shops and restaurants also opened within Revel's spaces. The Walk is expanding soon, and next year Margaritaville will come to Atlantic City. The news is positive: Atlantic City is a good bet.

This destination has the infrastructure to compete for the visitor and the gaming dollar; soon there will be new games; more investments will be made in renovations, further expansions, and more entertainment options. How this relates to our marketing strategy is: This is good.

Our goal is to reverse the decline in visitation. And we aim to drive incremental visitation into Atlantic City. And we want those who visit to come more often, and we want to stimulate trial among those who have not visited. When we have new things to talk about, when we have new things opening, that gets people interested again to take a fresh look at Atlantic City.

We have three critical functions of Atlantic City Alliance: the first would be brand marketing; the second would be communications; and the third would be city-wide events. As it relates to brand marketing, our first element, the Atlantic City campaign “Do Everything, Do Anything, Do AC” launched on April 16. This campaign is funded entirely from the private sector -- namely, the casino resorts -- through an act of legislation. This year we will spend \$20 million on marketing Atlantic City. We have completed two flights of advertising, both spring and summer, and our campaign includes television, billboards, radio, digital. We are strong in promotions and we will increase our efforts in social media. We’re putting Atlantic City on television, especially in our key markets of New York, New Jersey, Pennsylvania, Delaware, and Maryland. And this has been an important and a significant investment.

It’s a massive campaign. These are the statistics: 3,600 television spots about AC; 5,500 radio spots about AC; 160 print ads; 120,000 clicks on the search to Do AC; out-of-home, including station domination, the Port Authority, Lincoln and Holland Tunnels. There are now three TV spots for Atlantic City. Our newest TV spot, Do Change, will debut as a part of our \$6 million fall buy which will happen later in September. There will be another 1,300 TV spots in Baltimore, New York,

and Philly; another 3,500 radio spots among 33 radio stations in three states. You'll see AC in magazines like *New York*, *Time Out New York*, and in 12 different newspapers.

The point is: AC will be out there.

The second element of the Atlantic City Alliance is the communications part of the brand. And we must reshape the conversation if we want to reshape the image of Atlantic City. The conversation in the media about Atlantic City has been negative for too long. The negative stories far outweigh the positive stories that should and could be told. The Atlantic City Alliance and the many partners are working together to better tell our story. And it does take a village.

This change has already begun. This summer the *New York Times*, the *New York Daily News*, and the *New York Post* all wrote positive, well-rounded destination features on Atlantic City -- and there's more to come. Reframing the conversation about the stories that aren't positive is also critical to our element as well. We must put into context the specific issues that are facing our destination and the universal issues that face every urban and beach destination as well.

I'd like to thank the many, many partners who we work with at the Atlantic City Alliance to help reframe and to tell the story.

The third way -- the third element of the Atlantic City Alliance's city-wide events: One way to change the conversation is through events. This past summer Atlantic City enjoyed international media coverage when Nik Wallenda took his walk across the dunes between the Boardwalk and the Atlantic Ocean. Media from around the world covered this event, from Good Morning America and Fox News to the Associated

Press. He was a mid-week spectacle. Beyoncé and Mrs. Obama's appearances at the opening of Revel on Memorial Day also made international news, changing the conversation about Atlantic City.

Events will be critical to stimulating trial for Atlantic City among our new visitors. They speak to people's passions and their interests. They can help fill our 20,000 hotel rooms available every night; and they can also help drive midweek and off-season business.

The Atlantic City Alliance will soon be announcing a series of events that will help drive the brand and the visitation.

Well, how effective is all of this marketing that I just mentioned to you? Well, the campaign has just begun and everything does take time. Before launching the campaign we conducted focus groups and benchmark surveys in our key markets: New York, Philadelphia, and Baltimore DMAs. So we can measure the effectiveness over time.

After the first three months of the campaign, we launched a second survey. We wanted to see how we were doing. I'm pleased to report to this Committee that the research showed that AC is gaining significantly -- statistically significant ground across all markets, and especially in New York, by decreasing both the negative and ambivalent perceptions.

Our key audience -- the fun seekers -- are starting to associate AC with a variety of amenities, especially those who had less experience with the city themselves. These include elegant spas, dining, golfing, and premium shopping. Overall, the research is telling us that AC is being seen as more sophisticated and glamorous and less rundown, especially in the Baltimore and the New York markets. Our Philadelphia market is going to be a harder one to crack.

The campaign is driving our target audience to take action, either by visiting or finding out more.

I want to end with the development strategy, because you've heard -- and how that relates to the arts as well.

In support of the master plan, the Atlantic City Alliance is working on what we call *Boardwalk Activations*, in total cooperation with the CRDA, the city, the many organizations and groups both private and public. The goal is to improve blighted areas adjacent to the Boardwalk by creating attractive, public spaces that will enhance the visibility of the city experience. There are three elements to developing the strategy that I'd like to reference, and these are only in AC. On July 4, we debuted Duality on historic Boardwalk Hall. The nightly free lightshow uses highly sophisticated equipment to create a 3-D light story on the façade of Boardwalk Hall. When Boardwalk Hall opened in 1929, it had a light show and we're so proud to be able to have the opportunity to bring that back. This free attraction has attracted more than 100,000 people -- who we've been able to count, thanks through SID and the CRDA -- who have stopped in their tracks to watch this free show, both young and old alike.

The second is that we've identified empty lots along the Boardwalk. This month, new volleyball courts turned a vacant lot into public space between Showboat and Revel on the Boardwalk. The courts, soon to be 11, have been designed in mind to attract tourists and competitions, both regional and national, and maybe international. But nothing has just a visitor only sign on it. Everything is for both residents and visitors.

The third is the public art parks. You heard a little bit about it earlier. We've identified three vacant lots of public land that are part of our initial work. We've also identified a world-renown curator, Mr. Lance Fung of Fung Collaboratives, to assist the Atlantic City Alliance. You'll be hearing from him a little bit later.

We are very lucky to have a creative mind of his caliber and international reputation come to Atlantic City for his next big project. Mr. Fung is scheduled to give testimony, and he'll give you a better vision for what we planned to outline. The last time I was here in Dante Hall was our mixer when Mr. Fung brought together the artist community and the local community as a way in which to make sure that they understood the opportunities, the vision, and ways in which to collaborate together.

Mr. Chairman and members of the Committee, I'm happy to answer any questions. And we thank you for the opportunity

ASSEMBLYMAN MILAM: Jeff, thank you for your testimony.

Jeff, are you familiar-- You know, you talk about the things that make that customer go somewhere else. Recently, one of my bills was passed through the Assembly that suspends a corporate business tax on tour buses. I didn't know if you were familiar with that. I finally got that-- After many years, I got that really rolling; I got a great support from this Administration that we're in now. That is going to help, correct?

MR. GUARACINO: Yes.

ASSEMBLYMAN MILAM: I mean, it's in the Senate right now. There was a corporate-- Just for everyone's edification, there's a corporate business tax imposed on out-of-state buses bringing tourists in. We kind of look at it as shooting yourself in the foot because we think if

you can bring 60 people in on a bus, why would you charge them a corporate business tax? A tour group would say, "Okay, if they're sending a tour, we can go to Maryland, we can go to Pennsylvania, we can go to Delaware. If we go to New Jersey, it's going to cost you a little bit more money because they have this corporate business tax." The bill passed the Assembly with great numbers in June of this year. It's now in the Senate's hands. And I'm very positive of the support of the Governor that he would sign this to suspend that tax on these out-of-state-- That's going to be an important part of helping Atlantic City as well.

Looking at some of the numbers -- you know, tour buses that were coming prior -- this corporate business tax went into place on the out-of-state tour buses -- you can see a decline. And it's a real deterrent for a tour bus operator to promote New Jersey as one of their destinations for their tour groups. So I just wanted to bring that up to you, Jeff, if you had followed that or not. And what your thoughts are, in a brief-- We have to really give it to the Senate now and get them to get this moving, which I know-- I believe it's in Senator Whelan's Committee, and he gets it, too, obviously, from Atlantic City.

MR. GUARACINO: Well, Mr. Chairman, thank you for your leadership on that. Because from the first day I came here and the first time I met Grace Hanlon, we were talking about the tax structure. And really the story is how -- keeping Atlantic City competitive. And the travel industry has radically changed, not only from the wholesaler, the tour operators who -- their market has changed significantly, especially since the great recession; and on top of that, really, 9/11 and the changing

demographics of both destinations that are looking to take our tourists away. But also to offer financial incentives.

So listening to the industry to ensure that we keep Atlantic City competitive from a tax structure as well as from a consumer structure is critical to our future success. So when we look at those barriers that the industry is telling us that prevent people from coming here in busloads and in groups, it's really important that we do take a look at that.

I know our colleagues at the airport are looking at what we can do to increase lift here into Atlantic City as well, and also working with -- looking at the tax structures that we have here. Because the consumers, especially after the great recession of 2008, really started to look at the bottom line of what does a trip cost. And that really gets into the tour operators -- for what they can charge; and also gets into the other wholesalers in terms of how they package Atlantic City. So that is one critical element.

But taking a comprehensive look at keeping Atlantic City competitive in a new marketplace is something that we advocate at the Atlantic City Alliance, for sure.

ASSEMBLYMAN MILAM: Great. And always feel free to reach out to me on anything that you think is a deterrent to keeping this ball rolling here. We're on a real good track, of course, with the new CRDA Director and everything. And we want to make sure that there's something that the State of New Jersey would have in place that would be a deterrent for any kind of -- you know, just as the tour bus bill.

Assemblywoman Vainieri Huttle.

ASSEMBLYWOMAN VAINIERI HUTTLE: Thank you, Chairman.

Mr. Palmieri and Grace Hanlon, you're doing a great job for the destination and the tourism for Atlantic City. But I think, Jeff, you're more local, I would think, than Grace and John since you belong to the Alliance and you're a resident of Atlantic City, correct?

MR. GUARACINO: Correct.

ASSEMBLYWOMAN VAINIERI HUTTLE: And I'm glad that you mentioned tourists and residents. Because I think your Alliance consists of small businesses in Atlantic City. Would that be correct, or no? I'm not quite sure; if you could just explain what the makeup of the Alliance is. Because up by us, we have alliances and we partner with small businesses, and we reinvest back into the community. And it sounds like you're trying to do both, with your blighted areas and changing landscaping, which is terrific. Because when tourists come in we want to see pretty landscapes. But by the same token, what are we doing for the residents here in Atlantic City? And that, of course, has to do with arts in education and the arts in general. Because are the residents of Atlantic City getting the benefits of the South Jersey cultural arts, of the arts in education, of the healing in the arts? I understand all about the destination and tourism, and I don't know if it comes-- And Jeff, I'm asking you because I think you're more local to -- as a resident. And I would hope, because we all know it affects the economy -- and I talked about statewide. But what are we doing, actually micromanaging in Atlantic City? I know you're partnering with the government, the Mayor and Council, I would

assume -- what about the schools and the education and the residents right here in Atlantic City? Do you have them involved?

MR. GUARACINO: Mr. Chairman, to answer the Assemblywoman's question, a few things: one, John Palmieri is my neighbor here in Atlantic City, too, so many of us and many of the people who work at the Atlantic City Alliance, while we're a small organization -- just six of us -- are residents here now, having moved from other cities to come join, to be a part of the renaissance of Atlantic City.

To answer your question about how we're made up: Our organization is made up -- the Board is made up of the casino industry. We work primarily with the presidents and chairman of the casino properties, but we work closely with every organization. We are not membership-based; you can't join us. We don't charge fees to be a part of our organization. We're not a marketing partnership. Essentially the Atlantic City Alliance, much like the Greater Philadelphia Tourism Marketing Corporation where I worked previously, is made up to shine a spotlight on all of the great things that are happening in Atlantic City that we think the visitor most likely would be interested in. So it's very freeing in that way.

To talk to you a little bit about the direct impact on the residents here -- but first, I'd like to point out the magnets: the Do AC campaign. Those magnets-- More than 130,000 of those magnets have been printed, and we can't keep them. These are magnets that people put on their car -- the second-most expensive purchase, after their house. And what's been very interesting to us, and in my experience in the last 15 years in the hospitality industry, I can't point to another campaign where people -- residents and workers and people invested in Atlantic City -- would be

willing to so quickly put a marketing campaign on their second-most-expensive item that they own. And the interesting thing about that is that people are taking them from other people's cars. (laughter) Which I'm not sure I agree with, but we'll keep making a few more. And they were for sale.

But what the magnets get to is about civic pride. People have to be proud of where they live and where they work, and when they see their city on TV, on the radio, and they have an opportunity to be connected with something, that gives the community a way in which to come together. So the very first answer to your question is that the community is expressing itself as a community by first putting these magnets onto their cars and giving them to their friends.

The second that I'd like to mention -- we'll hear more from Lance Fung and the way in which we're involving the community there -- but Kentucky Avenue. We're working with the CRDA to put a mural on Kentucky Avenue, which is historically important to the African-American community, and really to all communities and everyone here in Atlantic City. And we're developing a mural for the community as well to better express our history. Because people like to go to authentic, real destinations, right? People want to know they are in a sense of place, and there's a sense of context and history. So we continue to work with the community in that way, to really identify ways in which we can leverage our history and tell our great history to the visiting relative and to the visiting tourist.

I saw Henrietta here from the Chicken Bone Beach Jazz festival. One of the things that we do here is to shine a massive spotlight on what's happening here in Atlantic City. The more people who we can

convince to come down to not only spend the night and eat in a restaurant, but to attend a jazz festival or to attend a cultural event or to go listen to live music in Bader Field -- that is a massive opportunity. And as you heard before, the State has given significant resources for people to have in their operating budgets. And we've seen this throughout the whole state and throughout the whole country, but arts organizations, in particular, and other organizations have the fewest dollars for marketing, typically. And so we see, as one of our great abilities, to enable to shine a spotlight on what's great here and to use the massive campaigns. So through the campaign itself there have been radio, television remotes; we've hosted journalists here week after week; we've taken them to many events and communicated what's actually here. Maybe here in the next year we're happy to keep you up-to-date on the work that we do together with the community. But it has to be driven up from the community and not pushed down, right?

ASSEMBLYWOMAN VAINIERI HUTTLE: Thank you.

MR. GUARACINO: You're welcome.

ASSEMBLYMAN MILAM: Jeff, thank you very much. I know my friend, Al, is very happy about the Do AC decal, because his last name starts with C (laughter). So he's very happy to put many of these on his vehicle. He thanks you greatly.

On behalf of the Committee, Jeff, thank you for that testimony. It was very, very important to hear from you today. And please, let this Committee know, let myself know if there is anything that we need to do to keep moving forward.

Thank you, again.

MR. GUARACINO: Thank you, Mr. Chairman. Thank you, Assemblyman.

ASSEMBLYMAN MILAM: Next, I'm going to call up Sharon Franz, NJTIA, Steel Pier; Maureen Bugdon, Atlantic City Race Course; Jim Quarella, Bellview Winery, because it's getting to be about wine thirty, I'm thinking, Jim. (laughter) Welcome.

And he does not have samples, if anybody's wondering. I already checked -- unfortunately.

And Jim, as the gentlemen's way of going, we're going to start with Sharon Franz.

Sharon, welcome.

SHARON FRANZ: Hi. Thank you for having me.

I just want to say that on behalf of the Travel Industry Association, I'd like to thank Assemblymen Milam, Albano, and Amodeo for sponsoring the bus tax; and the Assembly for pushing it through legislation. We're very excited about that.

And we know that Atlantic City is not only going to benefit from that, but the whole entire State -- it will boost tourism in every way. And we thank you for that.

I'm Sharon Franz, Sales and Marketing Director of Steel Pier in Atlantic City. I would like to start off by saying that Atlantic City has never been as galvanized as it is now -- in efforts to market, improve, and highlight all that it has to offer as a total resort destination. With the support from all of you and the leadership that is in place, the Atlantic City Tourism District is coming into its own, and the Steel Pier and other vendors are benefiting from that.

Excuse me -- I'm a little nervous. This is my first time doing this.

ASSEMBLYMAN BROWN: You're doing great.

MS. FRANZ: We just went through a \$20 million renovation--

ASSEMBLYWOMAN VAINIERI HUTTLE: Would you like some water?

MS. FRANZ: No, I'm good. I don't even know why I'm nervous. I know everybody in this room. (laughter)

We just went through a \$20 million renovation with the support of CRDA, elected officials, and tourism partners. It has been rewarding for us to see our combined efforts come to life on such a renowned and historic piece of Atlantic City history.

Supporting projects that are family oriented helps to market Atlantic City as a balanced destination. Atlantic City Alliance is doing just that with their fabulous marketing campaign.

Steel Pier has seen a 20 percent increase in ride revenue with two major rides yet to open -- one being the tallest in the world. Though we are not gated, our ticket counts and ridership are up. The crowds are consistently heavier than past years' attendance. Steel Pier and Atlantic City are trending up and we need to continue the efforts of Atlantic City Tourism District moving forward.

I also would like to thank the Division of Travel and Tourism Executive, Grace Hanlon; and the New Jersey Sports and Exposition Authority for their continued support of the tourism industry.

Thank you.

I gave you all packets, too, for Steel Pier, so you have them.

And just on a note to you, just so you know: The Steel Pier-- We give every ward, every resident -- every Councilman gives their ward a free day at Steel Pier. So every resident gets to experience the Steel Pier -- the amusement pier. So no one never gets to go to Atlantic City Steel Pier.

M A U R E E N B U G D O N: Good morning -- or good afternoon, maybe, by now.

My name is Maureen Bugdon and for 11 years I've been the President of Atlantic City Race Course in neighboring Mays Landing, Hamilton Township, New Jersey. I'm also entrusted with operating the first off-track wagering facility opened in New Jersey -- Favorites at Vineland.

It's a pleasure to have the opportunity to speak to a hometown crowd, as I've lived in southern New Jersey almost my entire life, along with most of my family.

I must say, this hearing is a welcome change to the majority of hearings where I'm asked to testify on gaming issues only. Instead, today we're focusing on our entire region, a place where there are multiple attractions and entertainment venues to complement what is offered in Atlantic City by the casino industry.

Atlantic City Race Course is among our region's most historic offerings. It's a racetrack with a rich history, having been founded by John B. Kelly Sr., the father of the late Princess Grace of Monaco. Mr. Kelly opened Atlantic City Race Course in 1946 with three others, as well as stockholders that included Frank Sinatra and Bob Hope. At that time, the racetrack had both a dirt and turf course, and was considered among the top racetracks in the country.

Today, thoroughbreds run strictly on our turf course as part of a six-day festival of racing that Atlantic City hosts. We also offer year-round simulcasting on the first floor of the racetrack and at Favorites at Vineland.

At one time, the track offered 108 days of both day and night racing. This is no longer possible.

The racetrack's location is adjacent to the Hamilton Mall and the county seat of Hamilton Township -- right off the Atlantic City Expressway and the Black Horse Pike, approximately 14 miles from Atlantic City proper and 5 miles from the Atlantic City Airport.

No one will dispute the positive impact the Atlantic City casino industry has had on our region's economy since the 1978 ribbon cutting at Resorts Hotel and Casino. But with every positive there is a negative, and the negative here is that it has severely impacted the two racing venues in southern New Jersey -- the first being Garden State Park, which closed; and Atlantic City Race Course, which now runs this abbreviated live thoroughbred race meet. However, I should note that our numbers are enormous and in desperate need of support. We had crowds of over 10,000 in the last several years in one day. And for the sixth year we had the fullest fields in the country. That means the horsemen want to race at our track and people want to come to our track. And they've shown that.

The opening of the casinos was the first blow to a one-two punch of competition specifically to our track. The second blow that impacted Atlantic City Race Course came in the early 1990s when the Atlantic City casinos started offering simulcasting horse racing at their race books. While simulcasting helped racetracks in other parts of the state, it

had a chokehold on my facility, courting our guests who were accustomed to betting the ponies at Atlantic City Race Course. In fact, in order to start and permit simulcasting at casinos, Atlantic City Race Course agreed to shut down for two years because it was believed that this would be best for the industry and help the Atlantic City casinos with that new gaming alternative of horse racing. So we closed our doors.

And the point was when we reopened we were supposed to be compensated for that continual loss of business in the 14 neighboring casinos at the time.

New Jersey's casino industry and the racing industry, along with State officials at the time, had the foresight to not only predict but to plan for that impact on our beloved facility and, as such, the Legislature passed the Casino Simulcasting Special Fund to help protect and stabilize Atlantic City Race Course so it could continue to thrive and be an added attraction and benefit to the casinos. As originally established, the cost of expanding simulcasting to the casinos included this protection. However, with time, this money has been diverted from its intended purpose and given to other racing interests in the central and northern part of the state.

It's time for this practice to stop and that this money be returned to southern New Jersey's last racetrack, to enhance our region's attractions and entertainment offering with a new and improved Atlantic City Race Course.

In the packets that you all have are some draft renderings of what the Atlantic City Race Course could look like again if that special simulcasting fund was returned and respected for its original purpose. These renderings are brand new and have been completed late this summer.

As you can see, improvements like these could restore Atlantic City's façade and interior, adding to revitalization efforts on the western part of the county, which only benefits the Atlantic City tourism region and South Jersey's entertainment and visitor amenities. These suggested improvements would equate to a \$5 million to \$7 million investment, all made possible by returning South Jersey money to South Jersey's racetrack when this track sacrificed the money in order to expand wagering opportunities in Atlantic City in the early 1990s.

Think about the addition of a new and improved Atlantic City Race Course to our region's offerings. If this was made possible -- there is legislation to do this; Assembly Bill 1536, sponsored by Assembly members Burzichelli, Milam, Albano, and Riley, and supported by the District 2 Assemblymen Amodeo and Brown, would restore a significant amount of this funding to Atlantic City Race Course and prescribe that this funding be used to expand live racing and needed capital improvements.

Today I urge you all to assist in moving this bill forward so we can restore and reinvigorate horse racing in this part of the state. South Jersey matters very much. And bills like A1536 need our region's and legislators' supports.

Thank you.

ASSEMBLYMAN MILAM: Maureen, thank you.

And just before I open up to the Committee, I'm going to hear from Jim Quarella of Bellview Winery.

Jim.

JIM QUARELLA: Mr. Chairman and Assembly people, thank you for having me here today.

I'm going to give you a little background on myself. I'm Jim Quarella from Bellview Winery. My wife, Nancy, and I started the winery in 2000. At that time I was the fourth generation in my family managing Bellview Farms, which was a vegetable operation of 150 acres.

By the end of the 2002 season, we had 10 acres of grapes planted and we worked through our third vintage. And at that point we decided to focus solely on growing grapes, making wine, and marketing the winery.

Now we have 40 acres planted in vines, 20 different varieties, and make 30 different wines. And in the state there are roughly 50 wineries now, which 30 of them being in the southern half of the state.

Focusing on the wine was a good move for me and my family and our business. It brought new energy back into our establishment. My youngest son is in his senior year at Rutgers now in Food Science and plans to come back. We have several young and really energetic people who are a part of our business now. And we have a lot of qualified people looking for employment in our industry. And I make that point because in the vegetable industry, it was rather hard to find qualified people to do that -- who were interested in being in vegetable production.

In our industry, one of our greatest obstacles is that people really don't know New Jersey as a wine industry -- as a wine region. So our wineries and our organizations that support us are working-- We put a lot of energy into making people aware of that. And we do that through our ag tourism where we have our festivals. We have our off-premise tastings. We do all our events at the winery to bring people in to see actually how wine is made and how the grapes are grown.

And we do that because the key is: People have to taste our wines to really realize the quality and the value that is here. And once they taste, they are very impressed and they spread the word. And that's great for New Jersey tourism and our industry.

So a key part of what our industry needs is to be an integral part of the whole tourism package for New Jersey. And I'll come back to that a little later.

Some things that different organizations have done to really make this easier to promote are: a group of us got together several years ago and had southern New Jersey designated as an American Viticultural Area -- similar to Napa Valley, Sonoma County. And it's called Outer Coastal Plain; it's 2.2 million acres. It has to be Federally approved by the TTB, and you have to prove to them why you are a unique grape growing area. So we have that as a mark for us to promote now.

Along with that, the South Jersey Tourism Corporation has really become an active player with us to promote our Outer Coastal Plain region. And there are different events going on that they are helping us promote as a destination area. The other thing is that the Outer Coastal Plain Vineyard Association and a group of growers and wineries in our AVA are developing a proprietary blend. So we've figured the best grape -- the grapes that are growing the best, producing the best wines; came up with parameters that these wines have to be made. We have a campaign going on now -- it's actually a competition to name that wine. So we're actually letting the consumers taste these trial blends and submit names, to build enthusiasm and to get everybody involved in what we're doing here.

So as people come and visit the winery, they taste the wines, they enjoy the agriourism part of everything, and then they also ask, “Where’s a good restaurant? Where should we stay? Where’s a hotel? How far away from Atlantic City?” And that’s why we need to be-- All of us need to be integrated and work together on promoting tourism in New Jersey as a whole.

It would be very advantageous to us is if we had a central location that we could send these people to -- a website, mobile app -- where they can just pull up on there, wherever they are, and see where their next destination is and see what they’re looking for in particular -- instead of us in each little individual region trying to develop our own.

So I just wanted to give you a brief overview of myself and our industry, and I hope that it stimulated some questions, because I can answer questions better than I can stand up here and just speak to you. But I definitely want to say thank you for all the work that the Committee is doing, and especially for supporting the organizations that are really working towards supporting our industry.

So thank you.

ASSEMBLYMAN MILAM: And thank you, Jim.

Jim, I know you have-- We’re neighboring communities, so I know you have many events there -- many great events. Are you tracking where your visitors are coming from? Is there a way you’re tracking that somehow? And where do you see them coming from?

MR. QUARELLA: We are tracking, but I can’t answer that question. (laughter) Yes, we are. The only way we can really track is through our e-mails.

ASSEMBLYMAN MILAM: Right.

MR. QUARELLA: And our e-mails are-- The information we collect, which is basically e-mail, but we also try to collect their zip code so that we know where they're coming from. But I don't have that information for you. But I-- Generally speaking, I do have a general idea -- they come from within a 40-mile radius. And so it's mostly our area that they come from to our events. Now, that will change. Because areas like the Finger Lakes or Long Island -- maybe Long Island they go on and come off; but the Finger Lakes, people go there and spend several days there. Because they know they're going to go visit a few wineries, and then they are going to go stay someplace, then visit a few wineries, and stay. And that's what we're hoping to develop here in our region also.

ASSEMBLYMAN MILAM: Very good. It's part of our Winery Trail signage that we're trying to do. And you're very familiar with every step that we're making. We've always worked well together, whether it's the out-of-state sales of the wines and things, and it's all working for that. And why not? New Jersey -- number 10 in wine producing now? Am I right in that number?

MR. QUARELLA: Yes, that number kind of moves around a little bit.

ASSEMBLYMAN MILAM: It does, right? Yes. I like to say we're number 10 out of all the states in the United States that are wine producing states -- which is another great thing.

Your farm -- is it under preservation or not?

MR. QUARELLA: No, we are not.

ASSEMBLYMAN MILAM: You are not under-- Okay.

MR. QUARELLA: We were fortunate enough to be preserved without our intention -- but through the Pinelands Preservation.

ASSEMBLYMAN MILAM: Yes, it was a--

And Maureen and Sharon, thank you.

I'm just going to open it up to the Committee.

Assemblywoman Vainieri Huttle.

ASSEMBLYWOMAN VAINIERI HUTTLE: I'd probably like to comment on all three of you, because I think the three of you, really, gave different perspectives of Atlantic City and the region. And the Steel Pier, of course, I remember as a kid going there. My cousin used to sing at the Steel Pier before it collapsed and was rebuilt.

But thank you for that testimony. And where is Bellview Winery?

MR. QUARELLA: We are located in-- Oh, I'm sorry. I just assumed everybody knows that. (laughter)

ASSEMBLYWOMAN VAINIERI HUTTLE: No.

MR. QUARELLA: We're located in Landisville, New Jersey, which is the western tip of Atlantic County.

ASSEMBLYWOMAN VAINIERI HUTTLE: Because this North Jersey girl knows nothing about the South Jersey wineries. (laughter) And the point that I'd like to make is it's a shame that I don't. Because I think, maybe I could ask the Chair to have the next meeting at one of the wineries (laughter) so we can really experience it firsthand. And maybe we can make it in the later part of the day.

ASSEMBLYMAN MILAM: I like it.

ASSEMBLYWOMAN VAINIERI HUTTLE: But, seriously, I think you talked a little bit about an Association; and I would like to see if Grace is still here. If we can get the destination on the website for the Tourism and Arts-- Promote the wineries in New Jersey. Because South Jersey may be aware of it, and I know a couple of them when I take the back roads to Long Beach Island. There's that one, I think Cream Ridge, and it's beautiful. And that's not even, really, South Jersey according to real South Jersey people. (laughter) But there really is something here of an idea that, I think -- and maybe Matt, coming from this neck of the woods, and DiAnne, and everyone on the panel here -- maybe you're more aware of it than I am. But we really need to promote the message, not just down here, but across the entire state. And I think your ideas are well taken and you should have a lot of support if there is an association down here. That's why I wanted to mention to Grace whether you can put this on the website, and I think we should. Because we really need to understand that South Jersey, or New Jersey -- hate to say North and South, because I get in trouble when I do that -- but that New Jersey does have-- We should have a wine festival. Just like I was talking to Assemblywoman Gove about the Chowder Fest on Long Beach Island. Everyone from the entire state, quite frankly, knows about the Chowder Fest in Long Beach Island. It's a great destination to come from all over the state. You should have a wine festival, you should have hot air balloons -- we can go on and on. And I'm sure that Grace can probably help you with that. But that sounds wonderful.

So thank you for the information, because I really didn't know too much; that there were that many wineries. And I know that we have

legislation signed into law that has helped some of the wine industry down here -- which is on preservation wineries you can hold events -- that went through our Committee, I guess, it was last session.

ASSEMBLYMAN MILAM: (Indiscernible) where it is, right now.

ASSEMBLYWOMAN VAINIERI HUTTLE: And of course-- Right, depending on where it is. But we are trying to promote that. That's wonderful.

And Maureen, the racetrack-- I certainly am, coming from the Meadowlands area, am a promoter-- And North Jersey-- I am certainly an advocate for the racing industry. And whether it's North, Central, or South, I think we need to stimulate, and be creative, and figure out ways to bring that person back down into the racetrack. I mean, I had an aunt who used to go to the racetrack until the day she died at 98 years old. I don't know if we still have those kinds of diehard people in New Jersey who still go to the track. So I would think it would be your job to create ways to bring people into the racing industry. Because, again, the horse racing industry is another big industry that we are losing in New Jersey. So while we're on an up, in a destination down into Atlantic City, we have a lot of challenges that I think we can really be creative with Steel Pier, the track, and the wineries.

So I just hope that we continue -- not the dialogue, but some action; because we have heard the dialogue before. We have heard how important it is with tourism and the arts. We need to do something about it. And I think as I give kudos to this Committee, we have to reach beyond this Committee. And I know that Grace Hanlon can help us with the

Governor's Office and other members in the Legislature, aside from this Committee, to focus on it.

So thank you for that, and I am a strong advocate of the horse industry.

MS. BUGDON: I would only just like to add one very important point. If I could ask you all so graciously to please keep in mind: My track has been the only self-sustaining track in the state for the last 10 years. And because of that, we're in somewhat of a need of some repair. However, we do have those enormous crowds coming out -- they are predominantly families -- you know, to the tune of 10,000 people. So the region is showing that they're still very much interested in the sport of kings and that pageantry. Now that we have two of the State's tracks becoming private, please keep in mind these private tracks in the southern part of the state that have never benefited from State money, that now need to get-- Keep us in mind and wean those other two tracks off of State money so that the scales can be-- This could be more equalized. It's tremendously difficult to compete with the State; if you were a casino and the casino next to you was owned by the State, and regulated by the State, you can imagine what could occur. That's what we've experienced as a privately owned racetrack. And now that the other tracks are becoming private as well, help us out. Keep that in mind, please.

ASSEMBLYMAN MILAM: Very good.

Jim, correct me if I'm wrong. Isn't there, much like the lighthouse tour-- Assemblywoman Huttel brought up a good point. But I remember: Isn't there a tour that goes on, like during a weekend, of the wine-- I remember--

MR. QUARELLA: Yes.

ASSEMBLYMAN MILAM: --because seeing-- All right. So there is something similar? But you don't know about it?

ASSEMBLYWOMAN VAINIERI HUTTLE: I don't know about it.

ASSEMBLYMAN MILAM: See, and that's amazing.

But did you ever hear of the lighthouse tour? You know about the light-- You know, when they start at like, say, the north or however you want to do the light-- And you-- And every lighthouse you hit you get a card punched.

ASSEMBLYWOMAN VAINIERI HUTTLE: Yes, I heard about that.

ASSEMBLYWOMAN GOVE: A passport; it's a passport. A wine trail passport.

ASSEMBLYMAN MILAM: Something like that? So you've heard of that. But you have not heard of this. Very interesting point you made, though.

MR. QUARELLA: Yes, the-- I spoke of the Outer Coastal Plains because that's my home base, but the Garden State Wine Growers is the statewide organization. And with that we have the passport program, which is a little passport book that has all the wineries in it. And what you do is, when you visit a winery with that you get it stamped. And once your book is complete then you enter it into a drawing. And we've sent people to Italy, to France, I think Germany. Once a year we have a drawing where we send people.

So we're working at it. But the more we work together at it, and the more we get the word out--

ASSEMBLYMAN MILAM: That was the point I was making: as big as the thing, as I know about it, you don't know about that.

ASSEMBLYWOMAN VAINIERI HUTTLE: Right.

ASSEMBLYMAN MILAM: And it's a great thing that you do.

MR. QUARELLA: And so the Association has two -- at least two what we call Wine Trail Weekends: one is Valentines Wine Trail, where each winery will do something special. We encourage people in the state to go visit several wineries. And the other will be the weekend after Thanksgiving -- Friday, Saturday, and Sunday is our Holiday Wine Trail Weekend.

ASSEMBLYMAN MILAM: And Maureen, with your testimony-- A lot of people don't realize this: In the late 1980s, early 1990s, our family was in horseracing in a very big way. Mark Reid was our trainer, and we would go-- And we would go -- and you probably recognize that name -- and I always remember telling my Dad, "I'm very interested in this industry. I want to--" And he would say, "We'll talk to Mark, see if he could do something." And, you know, I'm thinking I'm going to get a real neat promotion from going from shoveling the stalls into a hot walker, (laughter) not knowing what a hot walker was. Well, I sure learned that it really wasn't a promotion, and it took a long time, sometimes, when you had to walk those horses. And I know you're familiar with the hot walkers. (laughter)

And Sharon, of course, thank you as well.

I just want to call on Assemblyman Brown, if he has any comments.

ASSEMBLYMAN BROWN: I just wanted to thank all three for your testimonies. It was alluded to by Assemblywoman Huttle to Jim-- That Grace Hanlon is here, and it is my understanding -- there she is -- that there is a website that is set up, and part of the function of it is to make sure that we are coordinating all of the activities that are going on throughout the state. And she's nodding at me, and I believe that is correct.

MS. HANLON (off mike): Can I talk? (laughter)

ASSEMBLYMAN BROWN: Oh, well, that's up to the Chairman.

MS. HANLON (off mike): I just wanted to say, though, you know I really am a really good advocate of--

ASSEMBLYMAN MILAM: Grace, could you -- Thank you.

MS. HANLON (off mike): I am an advocate of the wineries and-- Oh, I'm sorry.

I'm like, sitting on my hands back there. I'm like, "I want to talk."

But I really commend what you're doing in the wineries. It's such a beautiful asset for New Jersey. No doubt we could be doing it better, especially when you hear somebody like Assemblywoman Huttle bringing this up. It's a constant challenge for the State. But we do promote the wineries on visitnj.org. We have a very strong presence for it right now. We do a destination marketing organization grant -- goes down to the South Jersey region in order to promote wineries. Absolutely, could we do it better? Are we going to try to do it better? We will. But I think it's

lining up for them right now. The stars are in line for this. And I just thought it would just be interesting for you to know that one of the number one searches on our website is *wineries in New Jersey* right now. So you're right, Assemblywoman, we're on to something. And we have to do a better job in promoting them, but we have started.

ASSEMBLYMAN MILAM: And Jim did make a great point about, of course, it is the partnerships of all the things of the destination that are here, because you go into a lot of different websites of different towns. And they all, you know, whether it's Middleburg (*sic*), Virginia, or somewhere else in Maryland -- they are all touting a winery, of course with everything else they have and the history of their town.

MS. HANLON: And when we were talking about giving that funding down to promote golf as a destination, the Greater Atlantic City Golf Association, they know that they have to spread their partnership out now to do this golf and wine weekend. So John and I were speaking this morning: We're ready to really connect the dots down here right now. So I didn't want you to think, like, that I just came here to talk about "golf got money," but I really was very clear to them that this has to expand in this area, and remember our wineries.

ASSEMBLYMAN BROWN: You're happy to pay for wine, too.

MS. HANLON: Pardon me?

ASSEMBLYMAN BROWN: You're happy to pay for wine, too. That's what you're telling us. (laughter)

MS. HANLON: So it's good. So thank you.

ASSEMBLYMAN MILAM: Very good. Thank you.

MS. HANLON: Okay.

ASSEMBLYMAN MILAM: Thank you, Grace.

Assemblywoman Gove.

Oh, I'm sorry -- Assemblyman Brown.

ASSEMBLYMAN BROWN: Yes, that's right. I want to make sure Grace had an opportunity to address what Jim was saying. And I wanted to thank Sharon for her testimony. I know she was a little nervous, but she did a great job.

ASSEMBLYMAN MILAM: Absolutely did.

MS. FRANZ (off mike): (Indiscernible) microphone on.
(laughter)

ASSEMBLYMAN BROWN: Yes, yes.

And one of the things that I think is important when it comes to her testimony is the Catanoso family, and how much they've given back to our community here in this region, Atlantic County. She mentioned that they would allow the children within our community to go on the Pier and ride for free. And that's the kind of public-private partnership that's important, to make sure that nobody gets left behind and that we're looking out for everybody. So I really wanted to mention that.

When Jim got finished speaking, I didn't get a chance to say this, but Jim and Liza have done an excellent job of promoting us here in this region -- not just for us in the region, but for the State as a whole. It's a \$1.2 billion industry. Now, if you look at Las Vegas, they spend \$90 million a year advertising their gaming. Last year we spent \$3 million. Thanks to the Legislature, along with this Governor, we have committed \$30 million towards the advertising. And that's not just about gaming, as

you have seen. It's about promoting the non-gaming events that we also have. When we talk about those non-gaming events, certainly today, when we talk about the arts -- and I know a lot are here for the arts, you've been hearing about everything but the arts. But I know that Lance Fung is here and, of course, it's very important to this Committee to hear that testimony as well, because the arts are another piece of the puzzle in order to make sure that we have the non-gaming attractions that will continue to keep us a premier destination.

And you can see why it's important and why I really appreciate Assemblyman Milam coming here. Because when you coordinate such a major group of people into one room and they can start talking about all the different factions of the industry and have the leaders here -- whether it's Grace, or John, or Jeff, or whomever is here -- that's important that we're coordinated, we work together in what we're trying to do, and we understand it's simply about making New Jersey a better place.

And I want to thank Maureen for the work that's she does as well. I know she works tirelessly trying to make sure that that track is successful. And I do want everyone to understand too: She runs that track without State money. And that's an important point that she's making. The gaming industry is a profitable industry that is earning us dividends on a regular basis -- not as much as we were once used to, and not as much as, perhaps, we would like. But it is still a profitable industry. And each industry needs to stand on its own and be able to make it on its own.

And I want to thank you very much for your testimony.

MS. BUGDON: Thanks.

ASSEMBLYMAN MILAM: Assemblywoman Gove.

ASSEMBLYWOMAN GOVE: Thank you, thank you very much. Again, thank you all for coming.

I listen-- As a native of Long Beach Island and a kid growing up in this area, the Steel Pier was part of my life. The diving horse, the whole bit; you know, kids going to the show and the whole bit. So I'm so glad that there's a resurgence of the Steel Pier. Maybe not in the same way, but it's still important. It's an important cultural part of Atlantic City and people's history.

I look at the track -- I call it the track; that's what everybody called it around here: the track.

ASSEMBLYMAN BROWN: They still do.

ASSEMBLYWOMAN GOVE: And it's so important -- it was an important part of our economy here. And I know growing up I couldn't wait until I was old enough to go down to go for dinner there and the whole business. And growing up, it was very, very important. And it was kind of sad to start to see it go downhill because it was really important. And I am so happy that it is, for those short periods of time, an important event that's going on there. And I look forward to helping, that it is able to sustain itself.

And what Jim said about the winery: I think it's important, and I think it ties everything together kind of like what Grace said -- connect all the dots. I think that's what we need to do. Maybe we're here for the-- The Committee is Tourism and the Arts. We might be focusing on the arts, but tourism-- They are all blended together, all of this does. And I think what we're seeing is, and I hate to say it -- just like Valerie said, you don't want to say North and South, because for so many years New

Jersey was North and South pitted against one another. But it's been so important, the last few years, that South Jersey is finally able to -- I don't want to say come into itself, because it's always been there -- but people are looking at it in a whole different way. And it's for meetings like this, and everybody coming together. And I think this is the whole thing like you said: they go to the winery, they want to look for dinner, what is here? So what we're seeing is Atlantic City might be that focal point, but it's helping the entire region. And I think that's the most important thing. Yes, we want to help Atlantic City, but at the same time, with that help it's helping the wineries.

You know, you bring in these people to come in, so when you're focusing on "Do AC," we need to say, "Let's not just Do AC, but go to all of South Jersey." And again, I don't want to pit North and South -- of course, being a southern Jersey girl -- but it's important. And with the wineries-- And they have, in the past how many years, like you said. It's premier, people. It's not just a-- New Jersey, I hate to say, some people used to laugh at New Jersey wines. Today you don't do that. It's very, very important that we help-- Like you say, get the legislation out. It is an important part of the economy. And I just think what we see here -- and it's kind of exciting, because it's bringing it all together. And if we want to help one, we're helping everyone.

So I hope that's what we can get out of this today -- it's really a joint effort. So thank you all, and I hope we can get the word out. I know you guys are enthused, and that just helps everything else.

So thank you, all.

ASSEMBLYMAN MILAM: And thank you, again; Sharon, thank you for your testimony; good luck to you. And, of course, Maureen, good luck with the track. It's in my heart, it's in my blood.

ASSEMBLYWOMAN GOVE: Yes.

ASSEMBLYMAN MILAM: And Jim, thank you for your testimony and great ideas as well.

MR. QUARELLA: Thank you.

ASSEMBLYMAN MILAM: Next I want to call up George Sluker, Paddle Shack; Captain Mike O'Neill, Stray Cat Sport Fishing. I also want to ask our local radio personality, Pinky Kravitz, if he would want to come up and say a few words.

P I N K Y K R A V I T Z: Thank you very much, Assemblyman Milam and members of the Committee.

I come to you with an issue that we've been talking about for too many years -- since they started it with the dunes that are affecting all the seashore resorts. And I believe that you folks have to take a stand.

It's come to a point that the Army Corps of Engineers and the Department of Environmental Protection almost have a joint plan of saying, "We don't care what they say, we don't care what they think, we're going to do what we feel has to be done." And I can only tell you that I've been doing this battle for many, many years, since they first put it into effect. And I remember distinctly talking to former Governor Corzine and bringing up this issue about how these dunes are keeping the people who walk on the Boardwalk from being able to see the ocean; from being able to feel the nice, cool breeze that that ocean brings in and the fragrance that is there; the iodine that comes from the breaking of the waves that ingests into your

lungs and cleanses your lungs. So there is so much from a health aspect of this as well.

But when I brought it up to Governor Corzine, I said, “Governor, you have to do something.” He said, “All right, I’ll look into it.” The next time he came to Atlantic City, I approached him and I said, “Well, what did you find out?” He said, “Pinky, we can’t touch the dunes.” I said, “Why?” He said, “They’re not manmade.” I said, “Governor, who told you that?” And he said, “Oh, that’s what my research folks told us.” I said, “That’s a lot of hogwash,” but I didn’t say hogwash (laughter). But I said to him, “That’s wrong. They’re manmade. There’s a bladder underneath of that. That’s how it all started.” And he said, “Oh, really?” He said, “Oh, then we’ll have to research it further,” but I never heard anything else.

And on the day that Governor Christie was here in Atlantic City and he appeared on the stage in front of Boardwalk Hall; when he was telling us about the new tourism district that is going to be here in Atlantic City, and that most of us look forward to and say, “That’s a great idea, Governor. We’re grateful to you.” And he was asking the members of the media for any questions. And I finally got recognized and I said, “Governor,” I said, “Can you see the ocean from where you are?” Now, we’re on the stage in front of the Hall. So he said, “Yes.” And he was facing the ocean. Members of the press sat on the stage behind him. And I said, “Can you see the ocean?” He said, “Yes.” I said, “Well, you know, those people standing down on the Boardwalk cannot see the ocean.” And he looked out at them and they all shook their heads and said, “Yes, you’re right. We can’t see the ocean.”

That's because the dunes were put in at that degree. There have been a lot of arguments about it; we have the city engineer who tells us that it can be done -- they can lower it a little bit. There are big arguments about what is the safest way of doing this in order to protect the buildings. And from what we have learned it is safer to widen the dunes instead of making the dunes higher.

And I bring this to you because you're the Tourism group. We've been battling this with individuals -- Senator Whelan, our two Assemblymen from Atlantic County; Assemblyman Brown -- he sat in the Governor's Office for hours waiting to talk to him about this issue; and Amodeo as well. So we've had our Legislators who have tried to do this.

You're in a position, I think, as a Committee that is Tourism to join in this battle and say, "Let's make them a reasonable height." And it can be done. Supposedly, they were to be done lower. The best example, I tell you, is that the City of Atlantic City -- the dunes -- are telling us should be at least 14.7 or 14.9 feet high. Ventnor City, the next-door neighbor -- and I happen to live on the street that separates Atlantic City from Ventnor -- and when I walk down to the beach, I look at the Atlantic City dunes and they're over 14-and-a-half feet; over that. I look over to Ventnor City -- they're 9 feet -- 9 feet. Ventnor City has more higher-costing facilities on the beachfront. They have more million dollar homes along the beachfront of Ventnor City than they do in Atlantic City.

Now, we have a residential section that's a part of that. And when they bring it up and say, "Well, you have to protect the hotels and casinos," we believe that you can make them wider and it would be safer for them in fighting that battle.

So I urge you -- and I realize you have a lot of folks here to talk and I appreciate the opportunity to be able to bring this up to you -- but we need to do this. I was once walking with a woman from the Baltimore newspaper. She had been a speaker at a press conference. And so I said, "Would you like to come up on the Boardwalk?" She said, "Yes, I have never walked on the Boardwalk." I took her up for a walk on the Boardwalk, and she said, "Where's the ocean? Where's the ocean?" She looks out and all you see is this gray sand.

Just a month or so ago we received the word that the Department of Environmental Protection was going to clear the beach or the dunes of the plants that grow on it. And you were going to be able to have 75 percent more view of the ocean. That is a lot of hogwash. They came down, they cut it -- you still can't see the ocean.

So I urge you to join with us in this -- whatever influence you can use with the Department of Environmental Protection. I will tell you that the Commissioner, Bob Martin, came to Atlantic City on his own, walked the Boardwalk to see -- some areas he could see it, some areas he couldn't see it. And he brought that issue up. And he was one who said, "We have to cut the plants that are growing out of the dunes," because that's what happens. And when you have those plants, you then are going to have bugs, you are going to have mice, you are also going to have a lot of other things that you don't want that are not in our best interest.

We need to have -- Atlantic City, with all the great things that are being done with the CRDA, with the Atlantic City Alliance, with all of these different groups -- with what you heard about the Steel Pier. And in this particular building -- I played basketball; this used to be a basketball

court for the St. Michael's Church. We played basketball-- As small as this is, we played basketball in here. Look at what it has become because the CRDA put up the money and has changed this into a magnificent edifice. And it can handle all these great events that are going to be here, like your event that's here.

And I also want to congratulate you, Assemblyman Milam, for jumping on and saying, "Let's go to Atlantic City." We need to have more people have an understanding. When Senator Farley was a Senator here many, many years ago, he brought the whole Legislature to Atlantic City for a weekend. They had a ball; they had a great time. But they saw what Atlantic City was, and how it was sinking at that particular time. So in order to get (indiscernible).

And that's why I'm glad that you're here, so you can hear about it, you can see it for yourselves and know. Take a little walk on the Boardwalk yourselves before you go back and see what I'm talking about. You should be able to see the ocean, be able to see the beach, and make it more enjoyable for people when they come to Atlantic City.

Thank you very much for the opportunity of expressing it.

ASSEMBLYMAN MILAM: You're welcome, and thank you, Pinky, for bringing that to our attention.

I also sit on the Environment Committee. Great conversation I would like to have with our Chairwoman, Assemblywoman Grace Spencer. I think it's a collaboration of both Tourism and Environment now. Maybe we can do a little pushing on the Environment Committee, along even on the Senate side, because Senator Bob Smith on the Senate is a beach owner -- a beach property owner. I don't know if it's right on the beach, but he

gets it as well. But I think it's a great subject for our Environment Committee.

MR. KRAVITZ: Thank you very much.

ASSEMBLYMAN MILAM: Yes, and thank you. (applause)

The last three I want to call up-- And before I do, I just-- I have to apologize. There are a couple of people who just signed up. I will not be able to bring you up. If you have some written testimony, please submit it to us. It's Joe Kelly, Greater Atlantic City Chamber of Commerce; and Alexandria Pieroni, Atlantic City Ballet. I apologize; just on our timeframe, these last three are going to take us to that. But please submit any testimony to this Committee, even if you have not signed up. If you weren't on the invited list, if you're just there and just want to submit to us something -- please do.

The last three I need to call up are Lance Fung, Fung Collaboratives; Bill Horin, ArtC; and Michael Cagno, The Noyes Museum of Art, Richard Stockton College.

Please come up, gentlemen.

I just want to mention that Nick Paleologos, Executive Director of New Jersey State Council on the Arts, is with us as well. Thank you, Nick, for being here.

I'm going to start with Mr. Fung. Lance, welcome and thank you. Thank you for traveling so far. I think you get the award for traveling so far to be here today.

LANCE FUNG: It's my pleasure. Sadly, I brought a little cold with me, so my cough drops and tissues might affect the presentation.

But it was an honor to receive the invitation from Assemblyman Brown. And I felt it was so important to talk about what we're doing here and what it's like actually to work in Atlantic City, as a New Yorker/San Franciscan, that I flew back.

I'll give you a brief little history of who I am, because probably you haven't googled me yet. But I started in the art world in New York City as the Director of the Holly Solomon Gallery. At the time, it was one of the world's leading galleries and I was the youngest gallery director in the international art scene at the time -- a long time ago.

Since then I left Holly's gallery, opened up my exhibition space in Soho, which became a leading contemporary art galley primarily focusing on cutting edge installation art that was appropriate, on a world level, in working with the Museum of Modern Art in various biennials around the world.

After doing that for some time and feeling comfortable with that process, it became less challenging. Because for me, being raised by art collectors, the arts wasn't about business, it wasn't about tourism, and it wasn't about making money. It was about a lifestyle and it was about passion. And when you own a gallery your main objective is to sell stuff. And that's to sell it to people who like the stuff. And most of those people are putting down good, hard earned cash and they, theoretically, would like to see a return on it. Happily, everyone I worked with did make a good profit with their works of art. But it really wasn't, I guess, fueling or energizing me any longer.

So I shifted a very successful, commercial business in Soho -- which is not an easy thing to do when, at that time, rent was over \$300 a

square foot, and that was back in the 1990s -- to a non-commercial focus. And that was in curating exhibitions that were -- what I didn't even realize -- was public art in nature. For me it was trying to bring the world's best art -- at least, what I thought was the world's best art -- to the general population through exhibitions that were free to the public, dispersed throughout a city context so that anyone could see art. They did not need to be educated in art; they did not have to be able to afford art; they just could experience it just by walking by the street, the way we look at beautiful architecture.

That, in itself, is something a bit unusual in the art world. There is the preexisting world of public art, and we can note successful examples like the *Silver Bean* by Anish Kapoor in Chicago, where everyone and their mother will take a photograph in front of that thing, not knowing that it actually is an important work of art, and was conceived as artwork, and was created by a very famous British artist; but rather, something that's pretty cool. And everyone has seen that all over the world, on the internet, and postcards, and whatnot.

So I didn't even realize that I was entering that world because, more often than not, public art is not done in a very thoughtful, critical, and educational way -- rather, it's done by a government, by a developer, or a private individual to meet the needs of a 1 percent deal or to decorate something that's kind of ugly. That's not what art is about for me and it's really not what it's about even for those who collect, support, buy, sell, and push a huge business mechanism which is called *the art world*.

When we actually talk about tourism, it is interesting that this meeting wasn't just for the arts, but it was arts and tourism. Which I

understand the value of what art plays in tourism, as I understand the value of what art plays in revitalizing a community -- i.e., the Rutgers report -- which is quite pivotal now in cities that are struggling and/or burgeoning or aspiring to look towards art to reinvent themselves. More often than not, it's done improperly -- which means it's money flushed down the toilet. Whether it's private money or corporate money or State money, when it's done wisely it can result in cities like New York, Paris, Berlin. Even one small alternative space called The Mattress Factory, along with the Warhol Foundation, can completely resurrect the image of Pittsburgh.

It's quite fascinating that ACA took the vision and heard the voice that this is a possible vehicle for shifting the context of Atlantic City, to diversifying its image, bringing in different kinds of people who may game or may not game, but basically want to have a good experience. You have so many assets here. And I decided to come and speak, obviously not about the project that we're right in the midst of doing -- which is super exciting and you can hear about it at another time -- but rather how excited Fung Collaboratives, and myself in particular, have become because of the people from Atlantic City.

We wouldn't have taken on the project if it wasn't interesting to begin with. And what Liza and John presented to us was fascinating. We agreed, we came, we saw. I agree 200 percent with Pinky, because the first thing I thought was, "All I googled was a boardwalk, the world's longest continuous boardwalk, the world's first boardwalk, this major feature on the beach," because, coming from California near Santa Cruz, we have a boardwalk, too. And we have roller coasters there, too. But it doesn't have

the mythology and the history that Atlantic City does. And I could not see the beach.

So separate from what I have scripted here, what Pinky has expressed is something that people visiting for the first time will question. And it's something that we're trying to address also within our second exhibition, which will open in May 2013.

Nonetheless, when we're talking about tourism, it's interesting for the audience to know -- because I'm sure the Committee already understands -- but the latest, deeper research done on arts tourism was back in 2003. So if anyone could actually get the government to do some further research, it might actually fuel states and cities to do exactly what ACA has decided to do -- and that's to, in a small way, contribute towards the arts structure in Atlantic City. Naturally the lion's share of the budget is devoted to PR marketing, which is crucial to the visibility and the success of Atlantic City. But we feel, and I think we're starting to recognize, that one of the main vehicles for them to do promotion and marketing is through the arts. Because you can't do the same commercial that Jamaica and Turks and Caicos and Tahiti does -- and that's like we have great restaurants, bar, and this and that. What do you have that's special? And what you have that's special are the people, the history, and a different approach to the arts.

And on that note, I'm getting my Pepsi, because my throat is totally dry. I thought my cold would be gone, but it's still kind of lingering.

It's interesting, though, that way, way back in 2003, when the art world was just, probably, 70 percent of what it is today-- And although we're painfully aware of this economic downturn, that's only fueled the art

world because it has a different patron base. But back in 2003, the cultural industry was a \$554 billion industry; it employed 7.2 million people, countrywide; it had \$158 billion in salaries and \$95 billion in revenue for states, cities, and Fed. That's only grown; it's one of the industries since 2008 that has continued to grow. And not only has it grown, it's flourished. What does that mean? It means more people who travel. It means more art students who want to look at art. It means young artists who are looking for towns and cities to make their temporary home, ultimately gentrifying it and making pretty dumpy spaces more habitable. Because they are looking for those kinds of environments for studios. They want that Bohemian edge. And they're young -- they're fresh out of college, or maybe they've even bypassed college. And they are following their passion of creating art.

It's fascinating that when you look at examples like Paris, New York City, Berlin, these art centers that emerged into huge capital powers because, solely, of the arts -- first came from artists. And so I'm sorry I arrived late. I had a wonderful opportunity to speak to the builders and trade group, in which we were able to meet with all of the union heads. And in our project, in doing a holistic approach in outreach through the arts, through the Director of Operations, and our team, they started meetings with the local union heads. And something that's never been done in the art world before, to my knowledge, and on a significant level is to get union people to step up to the plate, be willing to build, supply manpower and materials for something they have no clue about. They have no concept of what contemporary art is, and Lord knows, what we're bringing in to town. But they do recognize this is what they want their kids

to experience. This is something they want their apprentices to work on. This is something about civic pride.

And so with our project -- which I imagine Jeff and John briefly alluded to -- over the next 5 years we're taking some rather large lots that are unbelievably unsightly, if not banal in the least, and we'll transform them into what we hope to be visionary public meeting spaces, which every single town needs many of. I don't care -- even in New York City, Bloomberg went in and said, "We need more trees. We need more parks." You go up Sixth Avenue when I first moved into Soho -- all those little corners and pieces of property that were unbuildable were vacant and boarded up. Each one of those have turned into a little tiny green space that neighborhoods can go and enjoy -- children, workers, and everybody. And yes, they're locked up at night, they're safe. It isn't inviting homeless and vagrants or danger. There's a way to do these sorts of things. And I think this is what Fung Collaboratives is bringing to the table to Atlantic City.

The other thing that's amazing, and why I'm here and I walked in -- and, of course, I'm not from here. We started working here in April; we come here monthly. But all of a sudden I see everyone smiling and waving, and I already feel like I'm part of this Atlantic City family -- one that I imagine that the Committee, some are part of that family, and others should become part of that family. Because for the arts -- and I've already met with Nick, who's been phenomenally amazing and supportive from a State level -- we also even met with the guy who's head of agriculture for the State, who came in -- drove in -- from wherever in New Jersey. Because north, south, east, west doesn't mean anything to me. I'm across the bridge

in Manhattan; it's New Jersey. (laughter) He came to me and talked about how we will approach the greening and the holistic self-sustainable agricultural part of these parks. So a little idea has grown into a bigger thing.

Sitting next to me -- who I didn't know would be sitting next to me -- it's great -- is our museum partner. And, of course, he'll talk about the great work that they're doing with the only museum in South Jersey. And right away, in our first mixer where we tried to introduce ourselves, he came up and said, "Hey, love the project. Whatever you need, let me know."

Usually when we come to town we're viewed as carpetbaggers, because of the type of work that I do is large scale exhibitions to bring awareness to the town. So we did the biggest art exhibition for an Olympic winter games in Torino. And our in-house joke would be like, "Oh, great. Welcome to Torino," because we hit every single wall you can meet: from language barrier, cultural difference, why didn't I get hired for the job because I'm a local, legal issues, building issues -- you name it. And when I walked in, I thought, "Oh, it's like, welcome to Atlantic City," the way you have over most city signs. But actually people here have welcomed us that way.

I think that Atlantic City has the strong potential of becoming a beacon of culture for New Jersey. We know Newark has its brick-and-mortar establishments, which is important. We know Hoboken -- when I moved to New York from California to go to graduate school -- was where many young artists lived because it was inexpensive. Those times have changed in Hoboken.

Not only does Atlantic City, I feel, have an art community that's existing -- one that I hope to add into that voice and one that we hope to add in a big, loud voice by bringing in the world's talent to partner with local, regional, and state artists -- there are resources such as what most people view as something they don't want to deal with -- like a bunch of cruddy old rundown buildings. That's a resource waiting to happen. That's your next art district. That's your art residency. Those are your exhibition spaces.

The problem is when people design master plans -- and I've been involved with that a lot. The first thing everyone blocks out is a piece of land that's an art district. And the master planners don't know squat of what that is. They don't know how to go about doing it and, most often, neither does the town. The key is to get the right experts in, listen to what they say, listen to what the local community needs, and then deliver it. I think that when meeting with Nick, obviously understanding the value of recognizing and sharing what New Jersey offers, culturally, is a big task. Because on the other side of the bridge we don't hear anything regarding culture in New Jersey. There might be a big ballet, there might be a big opera -- otherwise, it's all considered bridge-and-tunnel to us.

Now that I'm on this side of the bridge, it's not bridge-and-tunnel and it's not them -- it's we. I'm looking forward to seeing what everyone from Atlantic City does with the help of ACA and CRDA; and hopefully the State, in many different capacities including the proper legislation. Because if you give Atlantic City a chance -- and it has got to go way beyond what ACA and CRDA has in funding, because I know what their capable of funding and it's not everything. But if the State, I feel,

shares in this vision -- that Atlantic City and some of the key players in town, whether it be a small, nonprofit organization or someone who actually has some funding -- contributes to it, you have a shot. You have a very strong shot. I never would have thought I'd say something like this, and I will proudly say it to everyone in New York City, including all the people who will interview us when our exhibition opens up. Because the first questions we are already getting are, "Why are you working in New Jersey?" And now I have a real reason to tell them why we're working in New Jersey.

Happily I-- It was sort of a fortuitous meeting -- getting this e-mail or phone call to come to New Jersey. I had been invited to be one of the panelists for the Pew Charitable Trust. And if you know, they are the single largest funding body in Philly -- which is a nonprofit entity, where they give so much money out per year to art projects -- only in Philly. And they have such a great template on how they approach arts in Philly. I know there are industries in this state. There is an amazing quantity of wealthy people in New Jersey. And a huge percentage of them collect contemporary art. And when you look at where they send their money to, it goes to Rhode Island, it goes to Manhattan, and it goes to Philly. I would think if I were in the state I'd like it to go to my state.

And so until the state sees that they're not the cousin of Philly and New York City, but they're a brother and they're an equal -- and this is why we need money from you, and you do not need to send it over there. You can start to put some of these puzzle pieces together.

In the early days -- and I'll sort of end with this, because I'm probably going beyond my 10 minutes -- in the early days of Dubai the

ruler invited me over with a team of so-called specialists -- and actually, they were all really smart, that's for sure -- to advise that emirate on how to turn it into a cultural capital for the Middle East. Because it had the attention, the world's spotlight on all this money and their building, and they just have more money than sense and it's going to be this new haven in the Middle East. They brought in people from around the world to talk about art communities and so on. So all of these esteemed presenters, who were quite scholarly -- unlike my approach, which is just more user-friendly -- had their papers and their reports and all this stuff, which none of the Middle East people were going to dare read anyway. And they told them how to go about doing this, which must have been, maybe, 10 years ago. And the only thing I said was, "You know, this is so intelligent and so thoroughly researched, and such a fantastic document of how to do it on paper. But for all the money you're throwing at people, you will never turn this into an art center, let alone art scene, because you have no artists. You have nowhere for them to work and live, and you have nowhere for them to show their art and potentially get collectors to buy it."

So when the State is looking at where are art capitals, there, I'm sure, are many that can be shared. But as you're talking about linking on your website the different vineyards, I think a master plan on how the State views culture is important. And I think it's time now that the State looks at Atlantic City as a possible beacon for hope.

So I don't know if that-- It wasn't specific to what I'm doing here, because I think that will become fairly obvious in November when we open. But any questions you have on that or sort of general -- the philosophy of hope, I welcome.

ASSEMBLYMAN MILAM: Thank you, Lance. (applause)

Bill -- Bill Horin, ArtC.

Welcome, Bill.

B I L L H O R I N: Seriously -- you want me to follow that? (laughter)

ASSEMBLYMAN MILAM: It doesn't seem fair, does it?

MR. HORIN: Oh, my God.

MR. FUNG: Bill's another supporter.

ASSEMBLYMAN MILAM: Well, don't follow the time because you might be looking at a blank table up here.

MR. HORIN: Well, here's the thing. I'm going to be your shortest presenter, most likely because we were under the assumption that we could do a PowerPoint presentation.

ASSEMBLYMAN MILAM: I'm sorry you were under that assumption.

MR. HORIN: Well, that's okay. It's a miscommunication.

ASSEMBLYMAN MILAM: Yes, there's a-- A lot of times, I don't do that during our hearings.

MR. HORIN: Right -- and I understand that. But since I had spent time doing that, and found out yesterday afternoon that we couldn't do that -- I had a nice PowerPoint prepared. I really do think when you talk about the arts you really could use some visuals. You know, there are things that we do-- Our job is to raise visual awareness. We promote the arts and artists of South Jersey. And we do that through magazine features and documentaries and websites, and visually we do that as much as possible.

So when I found out that we weren't doing the PowerPoint, I was on my way to our premier of a documentary about Pat Witt and the Barns Studio of Art in Millville, and it was at the Levoy Theater. So I said, "All right. I'll come back tonight around 9 o'clock, 9:30; I'll present something that I can verbally say to you." Well, after the premier I was invited to go to Winfield's for a glass of wine with 20 artists and some very creative people and I said, "Okay. Should I go to Winfield's and drink my glass of wine?" -- and support the wine industry, by the way. Part of my reason was the economy.

But it gave me another opportunity to talk to the people who we deal with on a regular basis. ArtC is in their homes, we're in their studios, we're in their exhibits. We know the face of art in South Jersey. We deal with these people on a regular basis and our job is to present the face of art in South Jersey.

You know, everybody knows what Picasso looked like, and Andy Warhol, and Frida Kahlo, and all those people. But we don't know what the artists of South Jersey look like. We don't know that much about their background, we don't know much about their creative process. And that's one of the goals of ArtC.

And we feel that there needs to be better promotion of the arts, including better websites, better materials, better ways of getting the word out. For example: We're in this beautiful facility. This cost, by the way -- it was \$3.2 million to renovate. And it's got a lot-- There's a lot going on here. But when you look for information about Dante Hall, it's hard to find. You can't find-- When I googled Dante Hall, there came up a listing

for the wrong phone number. So we want to see facilities like this get used properly and promoted properly.

Atlantic City Arts Center -- \$2 million to redo the pier. They've opened recently, about a month ago; they have a fine photography exhibit going on. When you go to their website, it says "Current exhibition, March 2009." The taxpayers, the people who are paying for these things, they have a right to know what's going on in South Jersey, and they have the right to see it presented properly, presented creatively and, you know, with some interest. And also, to the outside world -- we need to tell the world that there is good art in South Jersey. And we need to do it professionally and creatively.

Lance is the homerun hitter. He's going to come in, he's going to bring people into town who would not have come here otherwise. It's going to be a big event; it's going to be wonderful. But eventually, Lance will leave. And you're going to have the people here who do this every day. They wake up in the morning, they need to create something, they need to make a living, and we need to support and promote them as best we can.

And that's what ArtC is about. And it's not just us; there's David McCarty down in Cape May who is doing SALT magazine out of his own pocket -- the same as we do at ArtC. It's an incredible promotional tool for Cape May County. And we need to look at those kinds of things and say, "Okay, how can we do this better?" So that's what we're about.

And I'm done, Mike.

MICHAEL CAGNO: Wow.

ASSEMBLYMAN MILAM: And Bill, thank you. Thank you for being here and your testimony.

If you have anything you would like to submit to us-- Yes, okay. I understand we do have some packets.

MR. HORIN: You have my package; the pdf of the PowerPoint is in the package.

ASSEMBLYMAN MILAM: Great. And thank you for that.

MR. HORIN: No problem.

ASSEMBLYMAN MILAM: And thank you for understanding that I always like to say that along with tourism and arts, goes the history -- goes the history of the state as well.

MR. HORIN: Right.

ASSEMBLYMAN MILAM: I always like to bring that in. I'm actually looking to even have that added to the name of this Committee -- the Tourism, Arts, and History Committee -- because it really does all tie together.

Our last speaker -- Michael Cagno, Noyes Museum of Art, Richard Stockton College.

Welcome.

MR. CAGNO: Thank you so much for having me.

ASSEMBLYMAN MILAM: You wanted to go last -- you got your chance. (laughter)

MR. CAGNO: Yes, I wanted to go last because-- And I'm so glad you followed me.

ASSEMBLYMAN MILAM: I never had anyone ask to go last.

MR. CAGNO: I wanted to go last to get a sense of the tone of the room, and the presentations, and things like that.

Prior to being the Executive Director of the Noyes Museum, in 1999 I was finishing up my graduate work and I hoped to establish a nonprofit organization in Millville. Like many downtowns, Millville was going through an economic downturn -- the big box stores and the malls. Local government had the fortitude to say, "You know what? We need to revitalize the downtown. And we believe that the arts should be a catalyst for that economic development."

We opened up the Riverfront Renaissance Center for the Arts and they gave me the position of Executive Director -- which was nice. Fresh out of grad school, nice position, but there was no money, no salary. The opening budget was \$8,000 for operating.

But the local government, through UEZ funding, did support the rehab of an old retail space, and provided it rent-free to our organization, as well as the utilities, to give us a leg up. And then through the support of the New Jersey State Council of the Arts we got a staffing grant to actually pay my salary.

When I left there in 2006 our operating budget was a little over \$250,000. And within that period of time, the arts were the catalyst to bring in other art-related companies and galleries and studios; but also, in addition, bringing in gift shops, boutiques, and restaurants, of which Bill had mentioned last night -- Winfield's.

Yes, the economy in 2008 has affected us all. And yes, it has affected Millville. And just because you create an arts district doesn't mean it's over. You constantly have to evolve. And the Levoy Theater just opened up and where we had the premier of Pat Witt. And it is going to take that town to the next level.

In 2006, I became the Director of the Noyes Museum, and we were a struggling art museum. They were almost 30 years old and not many people knew about us. We were the only art museum in South Jersey, but we had some perception issues, we had some branding issues, and we had some economic issues. Everything that I do and think about in the arts is through partnership and collaboration. I was very excited that I when I came here this morning and I saw this piece of paper with *guests include*, there are 20 names -- 14 of which I have partnered with in the last four years. The success of the museum is because of the success of these individuals. When we talk about wine, we have our annual fundraiser this Saturday and we're featuring New Jersey wine only. In fact, Quarella from Bellview will be one of the New Jersey wineries featured there.

So we established a relationship -- a formal relationship -- with Stockton College. We've always had an informal relationship -- students, interns, and things like that. I like to say it this way: We've always been, like, dating Stockton; now we're engaged; I do have a pre-nup -- I hope Herman's not here -- and we're hoping to get married and assimilate the museum, with the integrity of its mission, into Stockton College. Because Stockton gets it. Stockton College is not thinking outside the box; Stockton College took the box and threw it out. Their art department's growing, their community involvement is growing. You look at all the successes that are happening -- it's making us stronger, but we're also making them stronger.

In 2008 we went to Hammonton. We opened up a satellite facility there. Stockton College will be opening up an instructional site there in 2013 -- this coming January.

Yesterday I had the privilege and then the honor of spending two hours with our Lieutenant Governor, who was very interested in hearing about what was going on in Hammonton. Unlike Millville, which had UEZ funding and lots of dollars to support it, Hammonton did not. But Hammonton had passion and the will to make it happen.

We have, in a population of 15,000 people, the Noyes Museum of Art, Eagle Theater, Hammonton Center for the Arts, and Hammonton Dance Company; and now Stockton College -- for 15,000 people. Amazing. Because of collaboration and partnership and passion; local government is a key player.

So that brings me to Atlantic City. I am very optimistic about the arts. When you look at Atlantic City, you look at the diversity within our communities; you look at the diversity within our schools and the amount of different languages that are occurring. Where else can you find that? This is not about just the tourists and bringing the tourists here. This is -- as you had said, Assemblyman, it's also about the community. Because it is these workers, these families who are going to support these tourists coming in. If their quality of life is not improved upon through education and through the arts -- economic stability -- then it's all for naught.

So the key to success is a recipe. Yes, we can look at other towns, such as Millville and Red Bank, and we can go to Paducah, Kentucky, but not all the ingredients are the same. When we look at the ingredients it's partnership, it's connections, it's leverage, it's return on investment, it's local economy, local government, and you have to have the artists involved.

I've been talking to CRDA -- which I value the relationship, I value their partnership. I'm developing a nice relationship with Liza over at ACA; Nick, the new director at the State Council; and Cindy Lambert, my counterpart over at South Jersey Cultural Alliance -- we all share the same passion. But I have to tell you: My main thing about being here today and wanting to go last is I expected to hear everything I heard. But if you're going to Do AC, we just need to do it; because I'm really tired of hearing about it. I have a study on my desk from 1999 about creating a cultural district and art district. And we're no further along now than when we were back then. And that may seem a little out of line, and maybe it is, maybe it isn't. I want to do this. I have a gentleman next to me who I never thought I'd ever sit next to. I have a person on my left who is very passionate about the arts. I have Cindy Lambert who is working with the arts organization. And I have the fabulous State Council Executive Director. You have the ingredients, ladies and gentlemen, in this room to make it happen. I want you to be a part of it, and let's do it and stop talking about it.

Thank you. (applause)

ASSEMBLYMAN MILAM: And thank you, Michael.

Any questions, comments from the Committee? Closing, opening--

Assemblyman Brown, go ahead.

ASSEMBLYMAN BROWN: Ladies first.

ASSEMBLYMAN MILAM: Assemblywoman Gove.

ASSEMBLYWOMAN GOVE: I just want to say thank you all for coming, your insight. It's been -- like you said, let's do it. And I just think everybody here has the same passions and wants to get things done.

Thank you all for sharing those passions.

MARGUERITA NANFARA (off mike): Excuse me -- may I say something? Just a minute, please?

ASSEMBLYMAN MILAM: Sure. You'll have to come up here and state your name. We are getting past our time and the overtime charges here are crazy. (laughter)

MS. NANFARA (off mike): I promise I will only be a minute.

ASSEMBLYMAN MILAM: No, I'm only kidding you. Go ahead. Just keep it brief, please. We're just getting ready to close.

MS. NANFARA: Hi. First of all, my name is Marguerita Nanfara -- N as in Nancy, A, N, F as in Frank, A-R-A.

Thank you for the invitation to come here. I'm a lifelong resident, I'm a lifelong artist. I paint every day. I'm a professional artist. I sell my work, exhibit, award winning.

I want to say -- I want to speak for artists in the area. We don't really have an arts center or place to work. And I believe if we were given a place to apply our skills, we can beautify and make this-- I'm very passionate about this area because I'm from here. When people talk about Atlantic City, Smithville, Stockton State College -- which I live right around the corner from Stockton State College -- you're talking about my house, basically. And when people talk about the improvements made in Atlantic City -- I don't know if anybody has walked or driven down Pacific Avenue, recently. I did about a week ago, and I almost lost my exhaust system because of the bad roads.

And Pinky Kravitiz hit the nail on the head. You know, you go on the Boardwalk and I say to myself, “Wow, there used to be a beach here.”

But we really need an area that -- I understand funding is on the wayside -- where artists can get together. It doesn't cost much to have a building with lights and a sink where we can leave our stuff. And it would be nice to have a place where, even if we have to buy our own art supplies-- If you took the art work that is in this area, you could just come in this area and actually see the work that the artists in this area do -- it's beautiful. You can have calendars, mugs, things made up. And I think that if you stay with homegrown, it puts a better atmosphere to an area and people will want to come and visit again.

That's really what I wanted to say. And I just had to stand up because I represent an artist who actually works as an artist, who lives in this area. And I'm very passionate about that.

Thank you for giving me this moment. Thank you.

ASSEMBLYMAN MILAM: You're very welcome. And thank you for your comments.

And just before I get a motion to close, I just want to thank everyone. I want to thank Dante Hall for just hosting this, and all the work that they had to do to put it together. And everyone -- our invited guests, and even the ones who I was able to call on even with our time limits--

Lance, again, thank you for your travel here. I know you're tying other things into it, but it's very interesting to hear just that *balcony looking down*, as I always say, when someone comes in from another state and obviously collaborates, as your business name states.

Assemblyman Brown, I think, has one comment.

ASSEMBLYMAN BROWN: Yes, I just wanted to, in closing, thank everyone for being here.

The arts are an important part of not just our community, but the state as a whole. And if we nurture the arts like a small tree, we nurture it, it can grow; and it can grow into something even more effective for us to develop it as an economic tool. To have someone here like Lance talking about how he feels welcome in Atlantic City, how he feels New Jersey can be an epicenter for the arts, and it can be a place that -- not just New York or Philadelphia, but Dubai, Milan, London. That is meaningful. And a lot of us may not truly appreciate that who are not in the arts community, but that is truly meaningful. And New Jersey and culture should not and do not have to be mutually exclusive.

We need to make sure that we let others know the value of the culture that we have here in New Jersey; the value of our artists, and so much talent here in New Jersey. And hopefully, working together, we're going to be able to do that. And what better place than right here in Atlantic City, where we have the two ingredients that are necessary to try to create that epicenter, that place that young artists want to go? We have affordable housing and we have an opportunity for these young artists to have their works shown to people throughout the world. And those two are the foundation, the two ingredients that are first and foremost necessary in order to start it.

And so I want to thank Lance for being here. I thank you for your testimony. Everyone has been wonderful. And most importantly, before I-- I know I said it a couple of times, but Assemblyman Milam has

been nothing but positive and helpful, and just so gracious to me. And I can't thank him enough. And I want to thank his staff.

ASSEMBLYMAN MILAM: You're welcome.

ASSEMBLYMAN BROWN: They went through so much to make sure that this could happen. And it's not easy. It would be easier for them to stay in Trenton, but he decided to bring the Committee to where he thinks the Committee ought to be. I just can't thank him enough for doing that -- and his staff. (applause)

ASSEMBLYMAN MILAM: And it's not easier for me to be in Trenton, trust me. (laughter)

Assemblywoman Huttle.

ASSEMBLYWOMAN VAINIERI HUTTLE: Just in closing, I want to thank the last three speakers. Lance, Bill, and Mike -- is that right? Okay. Because down in Atlantic City you certainly highlighted the fact that it's much more than gaming and it's about the community. And I think that's what I would like to see more of -- the community involved with the arts in education, the art-- Lance, you're fabulous, and when you're finished with Atlantic City, if you could come back up to North Jersey maybe and visit Englewood you can-- We're in the middle of doing a master plan as well. And it's so important to include that in a master plan, because that is what attracts the people who are attracted to the culture and the vibrancy of downtown. And, of course, we heard about the economics, and I'm not going to repeat that. But Nick, you're doing a tremendous job from what I'm hearing. You've made a lot of friends in your short term that you have, I guess, come to New Jersey from Massachusetts.

So I also want to thank our Chairman, because when we do get on the road, we do get to see pockets of New Jersey that need to be highlighted. And Chairman, you're doing a terrific job. And I think the importance and what I like about this Committee is it is a truly bipartisan committee because we-- It's really apolitical, in a sense, except when it comes to the funding. We need to, of course, cooperate together on trying to advocate for the funds. But together, this is a great Committee. And, again, I want to stress the importance of community in keeping the art in the community; and then, of course, it expands outward into making the state shine.

So thank you to the last three speakers as well. I appreciate it.

ASSEMBLYMAN MILAM: And thank you, Assemblywoman Huttle.

And thank you to all who attended and sat through and listened to the very important -- and a great important part you mentioned about the politics. There is no room for politics in this Committee -- I made that very clear when I took this over. This industry -- I don't want to call it the industry -- the tourism and the arts and the history of this State -- there is no room for anyone to have the *D* and *Rs* on their shirts. Leave them in the car when you come to my Committee meeting, because I don't really care about the *D* and *R* side. It's about helping all of these folks in attendance. And also just to make sure that the tourism industry, the arts industry, and the history -- it's all together. It's the third-largest revenue stream we have in this state -- besides pharmaceuticals and the banking and investing -- third-largest revenue stream in this state. Why wouldn't you enhance it? In my business, if I don't invest in capital -- and this

Committee is probably tired of hearing me say this -- but if I don't invest in capital in my business, my business is not going to grow. If we do not invest in the tourism and the arts and the history, it's not going to grow and there's going to be other states that are going to invest the money. And they're going-- We're going to go stagnant and we're not going to continue to move and attract those visitors -- those visitors who come here.

And I have another statement that I just love -- some people don't like it -- but I like when I see those out-of-state vehicles here. I love when people are going on the road. I love sitting in the traffic when my-- I have the largest geographical district in this state, it covers 75 miles. I have to travel down the shore in the summertime. I'm sitting behind cars from Pennsylvania and this, and I say, "You know what? Yes, welcome; it's okay to sit in traffic, because I know all your pockets are full. And all we want to do is shake you upside down. We want to empty your pockets and then send you on your way." (laughter) As long we get their pockets empty when they're here, because they're going to spend money in our economy -- our hotels and motels -- and that helps everyone. It has to clean the linens for those hotels and the restaurants; and just think of all the ancillary businesses that are, because of tourism, arts, history. And that's why I am such an advocate about marketing what this state has.

Thank you all, again. And I need a motion to close.

ASSEMBLYWOMAN GOVE: So moved.

ASSEMBLYWOMAN VAINIERI HUTTLE: Second.

ASSEMBLYMAN MILAM: And second.

And thank you all again for coming. (applause)

(MEETING CONCLUDED)