
Public Hearing

before

STATE GOVERNMENT, WAGERING, TOURISM, AND HISTORIC PRESERVATION COMMITTEE

“The Committee will hear testimony from invited speakers and the public on strategies to strengthen tourism in New Jersey coastal regions, and ways to use the appeal of the Jersey Shore to expand the tourism industry in the State”

LOCATION: Stockton University
Atlantic City, New Jersey

DATE: September 12, 2018
11:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Senator James Beach, Chair
Senator Nilsa Cruz-Perez
Senator Jeff Van Drew
Senator Chris A. Brown
Senator Samuel D. Thompson



ALSO PRESENT:

Raysa Martinez Kruger
Office of Legislative Services
Committee Aide

Kate Millsaps
Senate Majority
Committee Aide

Theodore Conrad
Senate Republican
Committee Aide

Hearing Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
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JAMES BEACH
Chairman

SHIRLEY K. TURNER
Vice-Chair

NILSA CRUZ-PEREZ
CHRIS A. BROWN
SAMUEL THOMPSON

RAYSA MARTINEZ KRUGER
*Office of Legislative Services
Committee Aide*
(609) 847-3890
(609) 777-2998 fax

New Jersey State Legislature
**SENATE STATE GOVERNMENT, WAGERING,
TOURISM AND HISTORIC PRESERVATION COMMITTEE**
STATE HOUSE ANNEX
PO BOX 068
TRENTON NJ 08625-0068

PUBLIC HEARING NOTICE

The Senate State Government, Wagering, Tourism & Historic Preservation Committee will hold a public hearing on Wednesday, September 12, 2018 at 11:00 AM in the Fannie Lou Hamer Event Room, Stockton University, Atlantic City Campus, 10 South Albany Avenue, Atlantic City, New Jersey 08401.

The committee will hear testimony from invited speakers and the public on strategies to strengthen tourism in New Jersey coastal regions, and ways to use the appeal of the Jersey shore to expand the tourism industry in the State.

Those individuals presenting written testimony are asked to provide 10 copies to the committee aide at the meeting.

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SENATOR JAMES BEACH (Chair): Before we begin, I'd like to ask everyone to please rise; and ask Senator Brown to lead us in the Pledge of Allegiance.

SENATOR BROWN: Do we have a flag?

We have it on the pin.

SENATOR BEACH: Yes; I have it on a pin, right here.
(indicates) (laughter)

SENATOR BROWN: Here we go.

(all recite Pledge)

UNIDENTIFIED MEMBER OF AUDIENCE: God bless America.

SENATOR BEACH: Thanks, Senator.

SENATOR BROWN: Yes; thank you.

SENATOR BEACH: Just a couple of announcements.

We have this wonderful sound system. And I would point out to the Senators -- if you push the button, unlike Trenton, green means go.
(laughter) When we're in Trenton, you have to get a red light just to go.

I would begin, I guess, by roll call first.

MS. KRUGER (Committee Aide): Senator Thompson.

SENATOR THOMPSON: Here.

MS. KRUGER: Senator Brown.

SENATOR BROWN: Here.

MS. KRUGER: Senator Van Drew.

SENATOR VAN DREW: I'm here.

MS. KRUGER: Chairman Beach.

SENATOR BEACH: Here.

I would like to thank Senator Van Drew, also, for substituting for Senator Turner. We appreciate you being here, Senator; thank you.

And before we begin, I just want to say a big thank you to, not only Harvey, but all of Stockton for having us here. This is, I believe, one of the first events. I'm sure that when we were looking for a flag, it's so new that the next time we come back here we'll have a flag. (laughter)

But I think that if I had any one to blame, Harvey, it would not be you, it would be Mike Angulo. (laughter)

H A R V E Y K E S S E L M A N, Ed.D.: (off mike) Good choice. (laughter)

SENATOR BEACH: Smart, right?

I'd like to begin, before we start testimony, by just pointing out the restrooms are down the hallway to my left; and you'll run straight into them.

And I'm just so excited to be here at Stockton University on this campus. And I think what we'll do -- we'll start with comments from the Senators.

Senator Van Drew, would you lead us off, please?

SENATOR VAN DREW: Good morning, everybody.

It is wonderful to be here.

And let me just, first of all, say how beautiful the facility is. And what it represents is more than just an attractive building; but it represents a good part of the future of South Jersey and, certainly, of Atlantic City.

When we speak of Atlantic City, and Atlantic County, and what I call *deep South Jersey* -- which, to me, is always Atlantic, Cape May,

and Cumberland counties -- these are the types of things and the innovative thinking that we need to do. We cannot be only about-- Even though today is very much going to be focused on tourism, which is so important, and gaming and those issues, we need to expand into other areas. We need to ensure that, as time goes along -- my goal, I hope before I end public service some day in my life, is that we don't have the worsts statistics in the State of New Jersey; that we don't have the most children in need; that we don't have the highest unemployment rate; that we don't have the lowest per capita income; that we don't have-- And I can go through the whole list, and actually I have decided not to do it, because it's a positive day.

And one of the ways -- one the ways, one of the many ways of doing better is through, hopefully, government doing what it should do -- not sometimes what it *does* do, but what it *should* do -- education. Education is a key to anything that we do in life; and certainly incentivizing and helping the businesses that are in the area.

I'm going to be, perhaps -- and I don't mean to sound like I'm going to be slightly harsh, but maybe a little bit -- I think it's good for folks who are here, who are not as familiar with our area, or folks who are recording this-- Because, quite frankly, in the legislature, very often it is a knockdown, drag out fight for folks to understand how important the tourism industry is; how important the casino industry is; and how much money it gives back to the State.

I just -- I sometimes believe that, you know, when you go and you look at a manufacturing plant, or you look at the financial industry, or you look at Big Pharma, and physically see things in front of you that make you realize -- when a legislator sees that, that they understand. And for a

number of years -- and I've been around for a few years -- when you have a tourism conference, other folks will say, "Yes, tourism; it's real nice. I love to go to the beach in the summer." Well, of course, that's part of it. And we have the most beautiful beaches and, I will say to you, one of the best areas, literally, I think in the world. But it's more than that also. It is an income generator for the State of New Jersey. And why that matters is because, quite frankly, very often we have to fight real hard to get a little tiny bit of it back.

And that's something that all of us -- whether we are from the north, or the south, or the middle part of the State of New Jersey -- are going to have to work more on working, and getting, and succeeding in doing that.

So, you know, if-- And by the way, this is me toned down. If you really want to know what I think, I'll talk to you privately later. (laughter) But it's really, really important.

Our people deserve to have opportunity; the people here deserve to have opportunity. We can't give them success; but they deserve opportunity. And this is one of the vehicles and one of the ways to do that, and, quite frankly, we have to do better.

I want to thank Chairman Beach for putting this together. Chairman, as always, it's a pleasure to serve with you. We have served together on many Committees; we served as Chair and Vice Chair of Military and Veterans Affairs. He is truly one of the most compassionate and one of the best Senators I know in the entire Legislature; and I mean that with my heart.

SENATOR BEACH: Well, thank you, Senator.

SENATOR VAN DREW: I'm very proud of you at all times.

And finally, Marty, please don't ask for too much money (laughter); and secondly-- But it's a good cause; it really is. I am with the Chairman -- especially because we're both Military and Veterans Affairs guys and care greatly about our veterans -- this is a beautiful facility; we only need one thing next time, and that's that flag.

DR. KESSELMAN: (off mike) I know; we have it covered.

SENATOR VAN DREW: Thank you, Chairman.

SENATOR BEACH: Thank you, Senator.

And I would also like to welcome and introduce Senator Cruz-Perez.

Senator, would you like to make a few comments before we begin?

SENATOR CRUZ-PEREZ: No, I just want to say good morning to everyone.

I got an exclusive tour of the building across the street by accident. (laughter) I went to the first floor, and the guys in construction looked at me and said, "The building is not ready yet."

So I am just delighted to be here, and thank you, Chairman, for bringing us all over the State of New Jersey to address each of the people in the State of New Jersey.

Thank you.

SENATOR BEACH: thank you, Senator.

Senator Thompson.

SENATOR THOMPSON: Thank you, Mr. Chairman.

I, too, would just like to thank the folks for coming today to make their presentations and fill us in on what we can do to improve tourism, and thank Stockton for hosting this meeting today.

SENATOR BEACH: Thank you, Senator.

And, last but not least, Senator Brown.

SENATOR BROWN: Well, first of all, I want to thank my friend, Chairman Beach, for bringing this Committee here to Atlantic City.

So often we look around and things seem to be broken in government. People can't get along; different parties can't seem to agree on things. And this is a great example of how two people from different parties disagree on some issues; but there is so much more that we agree upon, that if we focus upon that, we can get things done.

And this hearing today is an example of that kind of bipartisan working together to make sure that the people who we represent have the leadership and the representation that they deserve.

And so, good morning to everyone here; welcome to Atlantic City, welcome to Atlantic County. I hope that while you are here you take some time out not only to tour this beautiful facility, but make sure you take a little trip up and down the Boardwalk and throughout the city; and you will see that there's a revitalization and an energy going on here that we haven't had in a long time. And a large part of that reason is another example -- when Senator Van Drew mentions how working together and fighting. If we think back -- and I think it's important, through this Committee, to make this point to the public and to educate those here on the tourism and gaming committee -- that by defeating North Jersey casinos, we now have two new casinos providing over 6,000 jobs with

people who are dedicated to growing and expanding the market. And if you think about it, the forecast-- Holy mackerel, what they were saying, if it would have opened-- Hard Rock is here; and we welcome them, we thank them for being here. But it was only a short year or so ago that they announced that they were building a \$1.2 billion casino in the Meadowlands that would compete with anyone in the world. And the people of New Jersey are smart; they read the expert reports, they understood that it would simply cannibalize the state's market, winding up leaving the state with less money at the end of the day. And this is an example of the fruit that we are bearing, due to our hard work and making sure that we were planning the right ideas into our public and into our infrastructure. So I thought it was important to point that out.

We also have people here today, like the new owner of Ocean Resorts, Bruce Deifik. Bruce is an example of somebody who believes in Atlantic City, believes in Atlantic County; a \$400 million investment; \$200 million of his own money. He himself relocated here from Denver. His family commutes. Now that's the kind of dedication, that's the kind of citizen, that's the kind of corporate neighbor that will make a difference for all of us. And I am so happy that he's here today, because I think it's important that everybody gets to know him and realize this is an example of another corporate neighbor who is here because, one, we defeated North Jersey casinos; and he's here, also, because he believes in us, and the decision-making process, and what he sees.

Chairman Beach -- he spent a career coaching in high school. He coached golf, and he coached football. And one of the things that made

him so great as a coach is what makes him so great as a Chairman. And he doesn't let what we *can't* do interfere with what we *can* do. (laughter)

(staff arrives with American flag)

DR. KESSELMAN: There you go. (applause)

SENATOR BEACH: All right. (laughter)

SENATOR BROWN: We have the American Flag.

SENATOR BEACH: Harvey is a man of action.

SENATOR BROWN: So I think -- seeing they brought in the American flag to go with the speech, that's about the pinnacle of where we're going to get (laughter).

So I want to thank everybody for being here. I especially want to thank Senator Van Drew. But Senator Beach, thank you for your leadership, thank you for putting this together; and thank all of you.

SENATOR BEACH: Well, I really appreciate the compliments. I wish my wife were here (laughter); she could give you the other side of the story.

But thanks.

And when I was doing the introductions I missed one very important point, and that is that Frank Formica -- I think he owns a bakery or something, maybe (laughter)? -- and he was kind enough to bring us fresh-out-of-the-oven muffins back there.

So please partake.

And my last comment before we begin testimony is just simply to say that Atlantic City can no longer be -- have the vision of just being a Memorial Day-to-Labor Day town. And I think one of the reasons we're here is, we all have to work together as a team to make sure that we

overcome obstacles and really take Atlantic City to the next level. And the people in this room can make it happen, and are making it happen.

So the first person to come up and provide us testimony is Dr. Harvey Kesselman, the President and resident expert from Stockton University who, I believe, was a member of their first graduating class.

DR. KESSELMAN: The inaugural class back in 1971, at the Mayflower Hotel, at Saint James and Tennessee, which is now a vacant lot. And 18 months ago -- to talk about people working together -- 18 months ago, so was this, and so was that (indicates) across the street vacant lots. And people getting together, in a bipartisan way like I have never seen -- from North Jersey, South Jersey, Republicans, Democrats, Independents, Socialists, Communists, whatever they were (laughter) -- getting together to support this endeavor is the reason why you see the transformation of this part of the island.

And I could not be more honored and pleased to formally welcome the Senate State Government, Wagering, Tourism, and Historic Preservation Committee to the campus.

And I would like to thank you, Senator Beach, our most recent Legislator-in-residence, for all that you do in support of this part of New Jersey.

And this is called the *Fannie Lou Hamer Room*, for those who do not know. And it's named after Fannie Lou Hamer who, as you may recall, in the 1964 convention, was the one who was able to give the, "I'm sick and tired of being sick and tired," speech to talk about the Mississippi folks -- to be able to vote and, you know, begin to allow African Americans more -- the

rights that they had but weren't being granted in states. So it has great symbolism for us.

First, let me thank all of you for being here today, and for your consistent support of Atlantic City. I've given you the written testimony, and I'm not going to read it all. I'm just going to identify the highlights and answer any questions you may have.

The question that was posited was how a state can strengthen its tourism industry. And I urge the State-- Normally I'm very, very Stockton-centric, as folks know. But I'm going to broaden it a little bit to talk about issues that I think affect not only Stockton, but the region.

One, I urge the State to ensure rail service continues to and from Philadelphia, and to reestablish -- reestablish rail service from New York City to here. And I'll talk a little bit about why.

Support initiatives, like the Garden State Growth Zone designation, at the Atlantic City Airport that will expand routes and services to the Atlantic City Airport; critically important. And third, obviously, to continue our support -- continue supporting Stockton in our potential growth in Atlantic City.

Let me talk a little bit about the rail service, which certainly impacts our faculty and staff, and some of our students; and absolutely will impact the future growth of our campus. The advantages of having that kind of transportation-- And there is, really-- It's a four-and-a-half hour trip, if you try to take a rail service from New York City or Newark Penn station to get to Philadelphia; make sure the timing of that is correct; take a Transit back down here, when the rail was up. That's a lot for millennials, who may want to come down on a Friday night and return on a Sunday;

who might be able to invest in Atlantic City, but can't get further down. And the real illustration of how important rail service is, is the transformation that has occurred in Asbury Park as a result of it being on that rail line, and millennials from North Jersey and New York City being able to come and afford places like in Asbury Park and places further northeast -- the northeastern part of the state.

So this also holds true for airport expansion. Adding more routes at Atlantic City and more carriers -- nationally, internationally -- will make Atlantic City a more attractive and accessible convention and tourism destination.

We need public transportation; we need airlines to further enhance what we have to offer.

Now, what can Stockton do to advance tourism in the city? Let me explain. Number one, our new Atlantic City branch campus brings 533 residential students, right across the street, who weren't here -- that was an empty lot, like I said, 18 months ago. And over 1,300 unique students are taking 2,100-and-some courses that, they're taking combined, right now, this academic year, which is significantly more than we had anticipated at the beginning. If you recall, when I first brought it to you, I thought if we would be 80 percent full; they aren't -- we're 100 percent full. And if we have a thousand head count here, we would have been successful; and we've done far better than that.

We also have-- Why is this important? Because during the downtime -- like you said, Senator Beach -- during a time period when, in essence, the shoulder season is over, that's when our people are here, as you can see. So that energy is here during what's called the *down part of the time*,

and there are, at least, almost 75 employees who have been here. We're going to have another 250 South Jersey industry employees above the parking lot across the street; and then AtlantiCare Urgent Care Center, our Follett Bookstore, and other retail entities that are all here today. That brings, like, 2,000 people to this part of the city who simply were not here just recently. That's one of the things that we can add.

Our *Live, Learn, and Earn* initiative will also offer our students internships and employment opportunities in the hospitality and service sectors, many of whom-- I have spoken with many of our hospitality graduates from last fall; and thanks to Bruce, thanks to Hard Rock, and thanks to so many of the others, they all were employed almost instantly, and some are already moving up the corporate ladder. And I want to thank them for that.

I was also incredibly proud, as a Stockton alumni myself, to be able to say that some of the CEOs at some of the most successful entities -- including Borgata, Tropicana, Bally's, Caesar's, Resorts, AtlantiCare, Shore Memorial, -- okay? -- and the FantaSea Flagship Resort -- they are all Stockton graduates. So Stockton folks who come here, plant themselves-- Our original motto was *plant yourself where you can grow*. They have; and they've climbed corporate ladders and made a difference in the whole economy of this area.

Stockton students will be part of the future labor force, which is critical to Atlantic City's tourism industry. Additionally, our business and MBA programs offer educational opportunities for hospitality and gaming workers to pursue post-secondary and graduate degrees necessary for a career advancement. And during the summer, our students are remaining

in Atlantic City and will alleviate some of the summer labor shortages faced by the casinos.

Since 2010, Stockton has maintained -- it's called the Levenson Institute of Gaming, Hospitality and Tourism, or *LIGHT*, which provides a forum for public policy discussions regarding the State's gaming, hospitality, and tourism industries; generating a quarterly Atlantic City Tourism Performance Indicators Report that provides key insight on current market trends. And I'm hoping the Senators are receiving this information from *LIGHT*, because it's a very valuable resource.

And then, recently, we announced -- and it's a goal I set for my Athletic Director, who almost had a stroke when I did -- that I thought that we should be national champions in rowing, because the greatest rowers in the country come out of Atlantic County. And we're going to do everything we can to have regattas along that intercoastal area in the very near future.

I'd also like to name one more thing. We started, two years ago, to show our demonstration how much we were committed to Atlantic City, moving our commencement services from the main campus to the Atlantic City Boardwalk Hall, which is now the Whelan Boardwalk Hall. And his last, really, major public appearance was at our commencement, as the speaker. That brings almost 13,000 visitors to the city that weekend, which is incredibly important.

And so we are now growing, as you well know, pretty dramatically. We're recruiting students from not only New Jersey-- And we're committed to that; 98 percent of the students who attend Stockton are New Jersey residents. These are the students who -- it is a State priority to keep them in this state so that we don't invest a quarter of a million

dollars in K through 12, and then turn around and have them leaving to go to college elsewhere. Thirty-thousand students a year leave New Jersey to get their education elsewhere. We want to keep them here. So that's why, once in a while, Senator, I ask for additional funds so we can continue to grow.

And finally, with your consistent support -- which you have been extraordinary, as in a bipartisan way -- we will do everything to make your investment with us validate your terrific judgement.

So thank you for your kindness today. I want to make sure you visit this entire campus; and you are welcome back any time that you want to have a hearing.

And I am here to answer any questions you have, okay?
(applause)

SENATOR BEACH: Dr. Kesselman, I would just like to say -- before everyone applauds you (laughter) -- I would like to applaud you and thank you for your vision and your constant, constant motivation to get things accomplished here in Atlantic City.

You mentioned one thing, that I apologize-- I forgot to mention Senator Whelan; and I just want to publicly thank him for his many, many contributions, not only to Atlantic City, but the region and the state.

So thank you for reminding me of that.

Are there any questions from the Committee?

Senator van Drew.

SENATOR VAN DREW: I just want to agree with you, and particularly talk about the rail service.

And I know we are where we are now with the rail service to Philadelphia. But I guess a lesson learned there -- that was nobody's fault who is in this room. If you think about how we have to do better in the future -- and government can do better -- there should have been meetings, early on at a forum something like this, for the public to hear and for elected offices to understand what was going to happen, to see if there were even better alternatives than the ones that we have now. That was a shock to everybody, including those in leadership. And I would hope that we never see that again, and I've expressed that to New Jersey Transit.

Secondly -- not only with that rail service -- it just needs to be nicer, quite frankly.

DR. KESSELMAN: Yes, cleaner and nicer.

SENATOR VAN DREW: I take that train; you know, when I go to Washington, I take that train, and then I'll actually, at Philadelphia, pick up Amtrak.

DR. KESSELMAN: Amtrak.

SENATOR VAN DREW: But it just needs to be-- The cars need to be nicer; it needs to be improved; it needs to look sharper, you know?

DR. KESSELMAN: Absolutely.

SENATOR VAN DREW: So another area that we have to all work on with New Jersey Transit is getting that done.

And then, finally, I just think that -- you know, you mentioned the airports. I know that a number of us here -- and I was prime sponsor of a couple of bills to have growth zones, as you know, both in Atlantic City Airport and also at Cape May Airport. And, you know, in all candor, we're

disappointed to see that they were conditionally vetoed. I spoke with the Governor about it, and I said, "We're going to start over again, and we're going to get it done somehow, in a way --" because we have to, "in a way that you can live with, because we can't just let this go; this is a big deal."

So you're right on point on those issues

DR. KESSELMAN: Okay; thank you, Senator.

SENATOR BEACH: Senator Brown.

SENATOR BROWN: First of all, thank you very much for being here. Thank you for your testimony; and of course, thank you for your guidance and your stewardship.

As you pointed out, 18 months ago we were looking at an empty lot. And when you look at how long it often takes to get anything done in government, to think that a building like this could be up, as beautiful as it is, ready to house students for the year. That takes leadership; that takes guidance. And so, of course, I want to thank you for that.

One of the things that Senator Van Drew touched upon that you had brought up -- so I think it is important to point out -- when it comes to our rail service, one of the things that we're in the process of doing -- and, of course, were working and are going to work with Senator Van Drew in doing it -- but it's bringing NJ Transit down here to meet with our leaders, whether it's the Chamber of Commerce, Joe Kelly; a representative of the Casino Association-- Because we have working families throughout Atlantic County that depend upon this rail service. And the reality is, they're the ones who, from my perspective, we have to make sure that we're looking out for and taking care of.

So first and foremost is to make sure that the schedules that are run in conjunction with, working with, whether it's Local 54 or the Casino Association; to find out the shift times, and how we can maximize the use to make sure our working families are looked out for. But when you move beyond that, we're also talking about simple things like -- if there's a convention -- the teachers' convention; and why are we not adding rail service during that time. If they can't do it on a regular basis, certainly it would make sense to add rail service for conventions. Or how about concerts, when we have concerts on the beach, and we bring in all those additional people?

But as with anything, as an elected official, I believe the main responsibility is to make sure that we bring our experts -- whether it's Joe Kelly from the Chamber, or a representative of the casinos, a representative of our working families -- and put them in a room with NJ Transit to make sure that everybody is looked out for. And we're doing it the best that we can do it, in a way that we make sure that it's successful.

And the only other thing is, as somebody who rowed crew here, I wasn't very good at it, but--

DR. KESSELMAN: I wasn't going to mention that, Senator.
(laughter)

SENATOR BROWN: That I wasn't good, or that I rowed?
(laughter) I guess when they go hand-in-hand, you can't mention one; you have to hear the other. (laughter)

But as somebody who has grown up around -- whether it's the Bergman family or the Garbutt family -- we have a long, proud history of crew; and winning the Henley Regatta, coming from a small, parochial

school out of Holy Spirit in the 1970s. That is just phenomenal. And with that proud history, to know that Harvey's going to build upon it, and he's going to bring us national champions right here in Atlantic County.

So I thank you for that innovative thought; and that's a very unique way to take advantage of something that we are very proud of here in Atlantic County.

DR. KESSELMAN: It's a natural resource.

SENATOR BROWN: It really is.

So thank you, Mr. Chairman; and thank you.

DR. KESSELMAN: Thank you, Senator.

SENATOR BEACH: Seeing no other questions, thank you, Dr. Kesselman.

DR. KESSELMAN: Thank you; thank you once again.

SENATOR BEACH: Thank you for everything. (applause)

SENATOR BROWN: So now it's my privilege -- and I want to thank the Chairman for letting me do this -- to introduce one of our newest members to our community.

Bruce Deifik, please come up. (applause)

Yes, he deserves a round of applause; absolutely. (applause)

And I said it before-- Now, let me tell you how humble he is.

I'm sorry, because I'm probably not supposed to do this at this hearing, but I'm going to do it anyway.

So I didn't know him before he made his investment, before he came here -- \$400 million; \$200 million of his own -- and relocated himself; his family is commuting back and forth; running the casino; creating over

3,500 jobs for our working families; reinvigorated that end of the Boardwalk. The list goes on and on.

So you would think -- is this some highfalutin' guy, you know, and is he going to show up in a three-piece suit and--

BRUCE DEIFIK: Don't own one.

SENATOR BROWN: Right. It's the opposite.

So I didn't get a chance to meet him yet, but I meet the people who work with him. And what they're saying is, "Oh, Bruce? He'll probably pull up in his pickup truck. If he has ripped jeans and an old T-shirt, he'll be in the uniform of the day."

And that's just a tribute. And I say that because he's one of us, right? He's somebody who cares about the people who live, breathe, and work here. He understands that a rising tide raises all boats. And so it's through his leadership and his guidance that we are fortunate to have this opportunity to make our community even better.

And so it is my honor and privilege to introduce Bruce to everyone.

Committee, Bruce; Bruce, Committee. (laughter)

SENATOR BEACH: Please begin.

MR. DEIFIK: Chris, thank you.

SENATOR BROWN: Yes, sir.

MR. DEIFIK: Ladies and gentlemen, Senators, thank you for letting me be here today speaking.

A few comments. I wish Harvey had not have left so quickly, because I would have said that from the minute I moved to town, Harvey Kesselman reached out to me to say hello. And it was really my fault, living

here full-time, basically -- one year living at the Tropicana, and the rest of the time living within my tower at Ocean -- that I didn't actually come and spend more time together. But I did reach out to Harvey, via text and phone, and said, "Harvey, the day that I stepped on my property 18 months ago I'd like to -- I wanted to start an ambassador program." Anybody who has come to our property has had the great joy of seeing, you know, Stockton students, some community college students, greet them at the door, at the bottom of the escalators off of our parking garage entrances to show you around the property, take you around the property, and help you in any way that you need until such time that you're comfortable, that you no longer needed their service.

That was all about Harvey Kesselman; he helped us launch that program. And although I am a Texas Aggie, I would be a proud Stockton graduate had that happened. So I wanted to tell him that.

You know, when I hear the comments that were made concerning the rail and the airport-- I'm an aviation fellow; I served on an advisory board for United Airlines for many years, based out of Denver. And I learned a lot about the airline industry and about what's going on.

So as I've lived here, pretty much, for 18 months, I've learned a lot of statistics. I would like to share a few this morning.

I'm a 30-year Vegas investor; I have smaller properties in Las Vegas. We develop lots there, housing; we do other things. I ran a company there with one of the founding families, the Greenspun family, in Las Vegas, for seven, eight, nine years. And the things that I learned is that Las Vegas, Nevada-- You get to Las Vegas on Interstate 15, Interstate 215, and McCarran International Airport; 43.5 million visitors a year. That's an

astounding number, with roughly 180,000 hotel rooms. That number -- I might be a little high or a little low, but it's around that number.

In Atlantic City, you have the Atlantic City Expressway, the White Horse Pike, the Black Horse Pike, some Lyft in and out of Atlantic City International, and some rail customers. And we get 24.5 million visitors into Atlantic City with a fraction of the number of rooms. And it's basically -- they call it a *resort town* or they refer to it as a *resort town*, and that come Labor Day you hit a wall.

Well, I've seen the wall; I've now understood what people have told me what was going to happen, post-Labor Day. But I am undeterred. Because I believe that 24.5 million people into Atlantic City -- as I said to the other fellows, ladies and gentlemen, who run the other properties, how do we get to 30 million people a year in Atlantic City? What do we have to do to get to 30 million a year?

The interesting thing about Las Vegas: It's plenty cold during the winter time and it's plenty hot during the summer. And there's no beach, boardwalk, and ocean. And people forget that.

The Bellagio has a nice fountain; we have a different kind of fountain outside of our windows, and we're very proud of that.

When you talk about Stockton University, it's not the properties up and down the Boardwalk; it's not the properties in the Marina District that make this a great town. What makes a great town is higher education and medical availability -- medical services. We happen to have those things here in Atlantic City today.

A lot of the issues that people had-- The blight is getting cleaned up. I was at a meeting five, six weeks ago at the Mayor's Office; the

other operators of the properties were there. And I was there representing my property. And people had talked about -- some people had talked about, "We need to clean up the rest of the blight; the housing." I said, "Well, I understand why you say that, but I disagree." I think what we need to clean up, as you drive in on the Atlantic City Expressway, are those two major structures on the Boardwalk that will never reopen their doors.

I'm a construction guy; I'm a former meatpacker. And I know how to take structures down; I know how to build, and I know how to take them down. The day that we take those structures down on the Boardwalk that will never reopen, then people will start getting very -- they will know that we're very serious about what's happening in Atlantic City. I believe -- in front of all of our eyes, over the last 18 months I've lived here -- I've walked the Boardwalk in the middle of winter. I'd leave the Tropicana in the morning; I'd get a hot chocolate at the bodega in the Havana Tower; put a coat on, and walk over to my property, and continue the activation -- getting ready to open the doors one day.

I'd call my wife, and I'd say, "Honey, it is glorious out here." The wind was blowing in my face; it was absolutely wonderful.

Ocean plans on doing a great job with Group and Convention. We are activating all of our spaces to make sure that we are very accommodating to groups and conventions. I'll give you an example: Two weeks ago, we had Mercedes Benz North America, the Northeastern Region. They were going somewhere else. Luckily, somebody heard about Ocean, and they showed up at our property. It was 45 individuals for three days. They asked if I could speak to them for an hour; I did. I spoke to them for an hour. They have three other meetings, the balance of 2018.

They have now moved all of those meetings to Ocean. Whether they had moved them to Ocean, or Ocean and Hard Rock, Ocean, Hard Rock, Harrah's, Tropicana -- it doesn't matter where -- it's great for town.

A rising tide lifts all boats; that's absolutely the case.

We are a community of 48 square blocks. And I've walked all of those 48 square blocks in the middle of the night. I've had the local police stop me on the Boardwalk, at 3 in the morning, saying, "Sir, what are you doing walking the Boardwalk at 3 in the morning?" I said, "I'm walking the Boardwalk," in gym shorts and a T-shirt; you know, the middle of summer. And one of the policemen said, "So where are you going?" I said, "To the other side of the Boardwalk." And the other fellow in the car said, "Are you that guy from Denver?" (laughter) I said, "I am, and I don't sleep very much; I am." And he said, "Well, that's kind of crazy." I said, "I grew up in a tougher place than this." I said, "It's not a problem."

We are a great community. I saw it, with my own eyes, what the Air Show did for this community. I saw, with my own eyes, sitting in my room in my tower, Atlantic City Expressway on Fridays, and Thursday afternoons, and Saturdays, bumper, to bumper, to bumper, to bumper, coming in to this town.

We don't need fancy retail here, because all the feeder markets that come into this town -- they have fancy retail. New York, Philly, other places -- we don't need some of those components that Las Vegas has. I've lived in Las Vegas; I've worked in Las Vegas; and they do a glorious job there. We're a different market.

I believe within a five-, six-hour drive, and a one-hour flight there's, roughly, 70 million people that we can tap into. So as I reached out

to United Airlines, and then the Airport Authority reached out to me, and said, “We’d like you to be part of a group that we’re working with,” and they’re very dedicated to trying to bring Lyft into this town. I put my hand way up, and I said, “Listen; I’ve reached out, and I’ve put the olive branch out, and I have said to people, ‘If you want to work together on different initiatives of this town, I would love to do that with you.’”

That’s where I believe the LVCVA in Las Vegas -- all right? -- set that town apart; the Las Vegas Convention and Visitors Authority. Because the properties, although owned by different owners -- corporately and otherwise -- they tend to work together, both from a taxation standpoint and what we can do for the community as a whole. We are a much smaller community; and it wouldn’t take much for us to get that number from 24.5 million people to 30 million people.

On behalf of my wife, and my two children, and myself, we are dedicated to doing that. And I walk the streets; I shake hands with everybody. I shake hands with my 3,380 full-time team members every day. I’m walking my property, every day, making sure that my guests and my team members have what they need to succeed and have a smile on their face.

So I appreciate you welcoming me here today; and we are very proud members of the Atlantic City community, business and otherwise.

Thank you. (applause)

SENATOR BEACH: Thank you, Bruce.

Any questions from the Committee?

SENATOR BROWN: I just want to thank him; thank you very much.

MR. DEIFIK: My pleasure.

SENATOR BEACH: Thanks Bruce; thanks for your testimony.

SENATOR BROWN: Thank you very much for--

SENATOR BEACH: We very much appreciate it. Thanks for your investment in our region.

MR. DEIFIK: Thank you, sir. Have a great day.

SENATOR BEACH: Okay; thank you.

Next we have Deb DiLorenzo, who is the President and CEO of the Southern New Jersey Chamber of Commerce.

DEBRA P. DiLORENZO: Good morning, Mr. Chairman, and members of the Committee.

As a long-time Atlantic County resident, let me thank you for holding today's Committee meeting here in Atlantic City at this magnificent location.

Let me also thank the Legislature, and both Governors Murphy and Christie, for supporting sports betting in New Jersey. We have already seen the benefits of sports betting at the casinos and racetracks, and are delighted to be the first state to provide the opportunity to tourists since the ban was overturned by the Supreme Court.

As reported yesterday, Dave Rebeck, Director of the New Jersey Division of Gaming Enforcement, said, and I quote, "Sports betting was robust in the first week of the pro football season."

I offer the following suggestions to strengthen tourism in the Shore communities.

And I am going to be brief, Senator.

First, please be cognizant of the impact of public policy initiatives that will ultimately cost business, especially small business, and those in the tourism sector more to comply with, such as the increase in the minimum wage.

Second, also be cognizant of the increase in the gasoline tax, especially here in South Jersey, as we call ourselves *public transportation deprived*. Further exacerbating the impacts of the gas tax increase is the recent suspension of the Atlantic City rail line. We urged the Senate and Assembly Transportation Committees, last month, to ensure the future of the rail line with appropriate support and funding, as so many employees and tourists depend on that line.

Further, we'd like to see the DOT study the cost and impact of adding a stop in Egg Harbor Township, near the Atlantic City International Airport, which very well may be the catalyst to expand AC wide.

And we urge the final phase of Route 55 to be completed, which would directly and expeditiously connect the Philadelphia region to Cape May County.

Another area to be mindful of is the creation of more year-round jobs in Atlantic and Cape May counties, to increase the total number of employees who can enjoy the myriad benefits of our region and increase tourism overall. The legislation to extend Grow New Jersey tax incentives at the Atlantic City and Cape May airports would have been a real shot in the arm.

And finally, we urge this Committee, and you individually, to earnestly oppose any efforts to expand gaming outside of Atlantic City. As you know, our Chamber created the *No North Jersey Casinos Coalition* in

2016, and worked with Trenton's *Bad Bet* to educate the public on the impacts of expanding gaming outside of Atlantic City and into North Jersey, as called for by the 2016 ballot question. The public has spoken, loudly and clearly, that it does not want to see gaming outside of Atlantic City. In fact, the ballot question was defeated, 78 percent to 22 percent, in all of New Jersey's 21 counties.

Atlantic City has seen its share of troubles, but has gained its footing as revenues continue to raise and municipal government continues to work to serve its residents more efficiently. The Atlantic City tourism industry is expanding; conventions are increasing; new entertainment-based attractions are growing; and all signs point to continued success, moving forward.

Thank you for the opportunity to share our thoughts with you this morning.

I'd be happy to answer any questions.

SENATOR BEACH: Thanks.

Do we have any--

Senator Van Drew.

SENATOR VAN DREW: Thank you, Chairman.

I just-- Well, I think the world of Debbie DiLorenzo because she takes, just, huge issues, condenses it down, and just bangs it out to what it's really about.

And if you want to look at the real big picture of what we're going through, there are some really important points that you made there.

The gas tax -- which, you know, I had issues with. I knew that we certainly needed to do something. But the 23 cents was excessive; and

what people didn't realize -- I did, when I voted against it -- but what people didn't realize is that that gas tax has the potential -- and it has -- to keep going up. We are, at one point, going to be-- You know, we were the third or fourth lowest in the nation. We are now getting to be in the top five of the nation; I wouldn't be surprised if we go -- at this rate, we'll be the most expensive gasoline in the nation.

Now, people say, "Why is that important?" It's important for the obvious reasons; it's also very important to South Jersey, where we have a little part that we don't think about all the time -- a major part of our tourism is the fishing industry. They use lots of gas. It really hurts them when this happens.

Another part of, again, South Jersey, and our way of life here is, very few people don't travel a lot. We don't have the mass transit of the rest of the state; so everybody is using their vehicles, and they're traveling a great deal. We live further apart; we have huge swaths of rural areas. And for those people, it's a great expense. For people who, generally, make a little less money, they're actually paying a lot more in gas.

And when you look at farming, construction, fishing -- all those industries that we have -- they all rely upon that. So that was particularly hurtful to South Jersey, and I think that's something that we ought to look at again, especially the automatic increases.

Minimum wage -- I know that I've had, and I know others have had-- I brought some business people up from South Jersey to speak with the Senate President, because he's going to be the gatekeeper on this. And he does understand, and we made it very clear about the effects -- but as it does happen, that it's phased in, and it's phased in carefully, so people

don't get knocked over the head and really, actually, end up losing employees. That it's phased in at the same time that there are exemptions for certain industries and businesses. He seems, very much at this point, to understand it. I'd recommend to anybody who is really concerned with it to actually set up a meeting. I'm sure he's willing to have other meetings as well.

And, you know, things like Route 55 -- we've talked about for so long -- would make a major difference in the southern Shore region. And I was disappointed, most recently, because all I really wanted to get was a design phase -- just to go into the design phase of Route 55. Not even allocate any money to build it; let's just design it, let's see what it's going to look like with the raised elevated highways. And currently, the DOT has said "no," because they don't see it happening in the near future. So we're going to be have to be persistent with that as well.

And these are all the points that you brought up.

And the rail lines -- again, they are really important. If they were nicer, and just brighter, and better, they would do better, you know? If something's not all that nice, and then people wonder why, "Gee, how come it's not doing that well?" Well, that's kind of a silly question; we know why it's not doing that well. So I think we need to do a lot better with that as well.

And finally, with the airports -- these are a lifeline for us. There's a tremendous amount of potential in Atlantic City. I was really, actually, hurt that we didn't get that bill passed. And the conditional veto is not going to really help us, because it's too short a period of time. We have to go back to the table with that. Atlantic City and the FAA are key

and integral to the growth, not only of this area, but of the entire region; of the southern -- literally, the southern third of the State of New Jersey.

So to your points -- your big picture points are right on target. Every single one of those matter. And if we don't do the right thing with all of those, we're going to have some challenging issues.

So thank you, Debbie.

MS. DiLORENZO: Thank you, sir.

SENATOR BEACH: Any other--
Chris.

SENATOR BROWN: First of all, I want to thank you for your testimony. It's always nice to see you.

MS. DiLORENZO: Thank you.

SENATOR BROWN: And one of the things you touched upon -- which I do think it's important -- that we remain vigilant, knowing that there are some out there who, despite the public's rejection of North Jersey casinos by 80 percent, they are still scheming and trying to figure out how they can do that.

So I first met Debbie when we put you together with Trenton's Bad Bet; I was happy to be part of that, and able to bring two great groups together so that they could advocate on behalf of all the families that live, and work, and breathe down here in Atlantic County.

And it was one of those things that they just didn't make stuff up; which, you know, when you're an attorney and you go into court, you have to have the facts, and you have to have the law, and you have to speak it accurately, because a judge and his clerk will correct you. What I learned in the political world, when I started hearing people talk about the benefits

of North Jersey casinos -- that they could just make it up as they went along, and they seemed to do it without any shame.

But the nice thing was Debbie, and Trenton's Bad Bet, and the people who advocated -- they took statistical data that pointed out that, right here in our region, we would have lost three more casinos; up to 15,000 to 20,000 more people out of work. We would not have seen the reverse happen: two casinos show up, and buy properties, and hire over 6,000 people. Well, we would not have seen the excitement around Stockton; we would have even more of the same problems that we are now pulling ourselves out of.

So I want to thank you for the leadership role that you took in fighting North Jersey casinos; and making sure that we're able to prosper; that we have sports betting and two new casinos. So if you're going to invest money -- right? -- you need to know that your investment is not going to be undermined or undercut within a year or two years with a casino someplace else within your own state. And so with that stability and with that understanding, we can continue to build off of what we have and then, of course, diversify.

And when you bring up the diversification, and we talk about teamwork and bipartisan effort, this aviation bill was the child of many, many parents from all backgrounds and all beliefs. But the one thing that unified everyone with the aviation bill -- Republican, Democrat, Independent, and as Harvey would say, Communists and Socialist (laughter) -- there was nobody who didn't believe that this aviation bill was the right move, not just for Atlantic County, but for the state as a whole. Because when you're a state, you should use the same logic that the county

was using. You have some natural resources. So we have the FAA Tech Center; we have Stockton University; you have the Atlantic City International Airport; you have the Technology Center, that's already ready to be built and ready to grow upon. We have a housing market that is available, fair, and reasonable. All of the ingredients that you need to bring in a different industry are right here, right in our own backyard.

And so with the aviation bill, that did what we know we need to do. And I know Senator Van Drew talks about this often, but our taxes are simply too high here in New Jersey. And so we wind up forcing out businesses, and it makes it very difficult to attract businesses.

And so if you put together a package utilizing -- utilizing these great assets that we have here in Atlantic County, and we have throughout the state, that is exactly the type of thinking that we need. And I would say to anybody who is an advocate for North Jersey casinos -- Las Vegas got it right. Las Vegas understood that with competitive gaming there would be more and more competition; and that they needed to change their model from 80 percent gaming revenue and 20 percent non-gaming, to 80 percent non-gaming and 20 percent gaming. And therefore, they would be recession-proof as it pertains to gaming competition.

Well, this aviation bill would be a great opportunity to do just that for us in Atlantic County, and have the foresight, and the vision, and the wisdom to understand that we need to diversify and create those jobs.

And so the next thing that we're working with, in a bipartisan way, is to expand the life of that bill. So initially, with the aviation bill, it was, "What are the terms going to be, and what can we get the Governor to

agree on, and what will all of us agree on.” Well, we have all the terms; now we just have to expand it.

So I am optimistic, with the leadership here and the leadership out in the audience, this is something we can focus on, and work towards, and make this a better place -- not just Atlantic County, but the whole state.

But I thank you for bringing that up.

SENATOR VAN DREW: Chairman, real quick, if I could.

SENATOR BEACH: Sure.

SENATOR VAN DREW: I just wanted to second what Chris said. And that was one point I wish I had made.

Great leadership during that time.

And that would have been disaster for our area. I can't -- I don't know how many days I thought about what would happen if there had been some mega casino at the Meadowlands that would have been so unbelievably competitive with us. I mean, we couldn't have competed in many ways. And it absolutely would have cannibalized us; it absolutely would have hurt us. And when we were down, we would have gone further down.

It was one of the times that the people of the State of New Jersey really got it right in a big way. And it was just so good to see that it wasn't even close. I mean, it was like 80-20; you say 78. I always like to -- you know, politicians like to make things a little bigger. (laughter) I say 80-20.

But it was a very, very important time. And we still have to remain vigilant on that, by the way. There's a lot of money in gaming; and

where there's a lot of money, there are always people who want to make money, and they are always trying to do things. And they aren't necessarily things that are good for everybody.

SENATOR BEACH: Thank you, Senators.

MS. DiLORENZO: Mr. Chairman, may I just respond to one point?

SENATOR BEACH: Sure; absolutely.

MS. DiLORENZO: I just want everyone to know -- especially the Senators in the front of the room -- that this coalition remains alive and well. In fact, we have two partners here today who are going to testify -- that's Joe Kelly from the Atlantic City Chamber and Vicki Clark from the Cape May County Chamber. The Chambers, here, all worked together with one common goal, which was to make sure that the entire state understood that it wasn't just a South Jersey issue; it was a North Jersey and South Jersey issue. And I am happy to say that we continue to work together.

SENATOR VAN DREW: It was good. And it wasn't good for them either.

SENATOR BEACH: Okay.

SENATOR VAN DREW: I'm done. (laughter)

MS. DiLORENZO: Any other questions, sir?

SENATOR BEACH: Thanks.

I would ask -- could you introduce Christina to everyone before we--

MS. DiLORENZO: I would be very happy to introduce Christina Renna, who is Vice President of the Chamber of Commerce Southern New Jersey, and our lead lobbyist.

Christina, take a bow. (applause) And she prepared me for today.

SENATOR BEACH: Thank you, Deb; really appreciate it.

(confers with staff)

Oh, okay; all right.

Come on, Bruce. If you can invest \$200 million, you come up any time you want. (laughter)

MR. DEIFIK: I apologize.

SENATOR BROWN: You can take the microphone home with you if you want.

SENATOR BEACH: You can have this microphone (indicates)

MR. DEIFIK: I'm so intrigued by what-- And thank you very much Mr. Chairman.

But Senator Van Drew -- when you talked about the airport-- So I went out to AC International Airport. I spent, actually, a lot of time driving around, understanding the complex; the terminal complex. Very capable, by the way, for 737s, and Airbus 300s, and things like that. The runways -- people probably don't realize that it's a secondary landing site for the Space Shuttle.

SENATOR BEACH: Absolutely.

MR. DEIFIK: They have 12,500 foot runways; very, very capable.

I live in Denver, but I have a home in Laguna Beach, California. So if anybody knows anything about Laguna Beach, California -- which I've seen once in the last 18 months, okay? (laughter) -- but Orange County International, Santa Anna, Orange County -- John Wayne is one of the

great airports in the United States. It's a small airport; it takes the load off Los Angeles International and Ontario International.

So if you happen to be one of the residents who doesn't want to put up with those airports, you can drive to Orange County, get on a plane, get on a United flight, a Frontier flight, Southwest Airlines, and go to many places; you know, Denver, change, Vegas -- those markets.

I believe that AC International -- people think AC International. We should, maybe, change the name of the airport. The reason is, they think AC International is just about Atlantic City. It's not about Atlantic City; it's about an airport that can service one hour-- If you don't want to put up with going into Philadelphia in the morning for an early morning flight -- that's the option, or Newark, you know? AC International has the ability to service the-- Trademark it; within a one hour area, just like Orange County, and it's a complete airport that's sitting here.

I heard what you all said about the train; and I would love to see a train out of New York. That would be great for this market, all right? I don't know if that's going to happen, but we already have the airport; it's already there. It's operating, and it's in very, very good condition and shape. And parking is abundant.

So I think that as you do that, if there's any way that I can participate, as a business owner, and help in any way, shape, or form with the FAA in Washington -- whatever the case may be -- it would be my pleasure, sir, to do that and assist. Because it would be a boon for this area, for southern New Jersey, to have an airport that people can live, recreate, do those things, and utilize also for Atlantic City.

Thank you, sir, very much for that. I appreciate that.

SENATOR BEACH: Thanks, Bruce.

MR. DEIFIK: Thank you. (applause)

SENATOR BEACH: Before I introduce the next speaker, I want to take just a moment of personal privilege.

Every Saturday and Sunday morning I drive from Ocean City to the Cape May Tennis Club. And I want to thank Senator Van Drew because, in the last couple of years I didn't have to battle three red lights on the Parkway. (laughter) And I think of you almost every weekend, Senator; so I appreciate that.

SENATOR VAN DREW: That's when he has good thoughts.
(laughter)

SENATOR BEACH: Our next speaker -- Anthony Minick, from the New Jersey Division of Travel and--

A N T H O N Y M I N I C K: Tourism.

SENATOR BEACH: Tourism. That's right; that's why we're here, isn't it? (laughter)

MR. MINICK: That's right.

Good morning, Chairman Beach and members of the Committee.

My name is Anthony Minick, and I am the Director of the New Jersey Division of Travel and Tourism.

I am grateful to be here with you this morning to speak about the strategy our Division has implemented to strengthen tourism in our coastal regions, and ways to use the appeal of the Jersey Shore to expand the tourism industry in the state.

I would like to thank the Legislature for its continued support; Governor Murphy, Lieutenant Governor Oliver, and Secretary of State Tahesha Way for their steadfast leadership and devotion to our mission.

Thank you to our gracious host, Stockton University, for hosting us here today in Atlantic City.

The crown jewel of our state remains our 130 miles of pristine coastline, from Sandy Hook to Cape May. Tourism in New Jersey, as you know, is a \$45.4 billion industry, due to our beautiful beaches, casinos by the ocean, and our great destinations. Four counties, which are Monmouth, Ocean, Atlantic, and Cape May, collectively generated about \$22 billion in revenues, direct spending, last year. That's roughly 48 percent of the total revenues generated by tourism in the State.

To facilitate access to all that New Jersey has to offer and draw more vacationers to the state, I am excited to share with you our recent initiatives and marketing strategies on how the Division promotes and strengthens the industry along the coastline.

Our current marketing campaign is designed to elevate New Jersey's brand, target specific segments based on interest, and highlight the state's six diverse regions and abundant activities and attractions.

This includes, but is not limited to, our highly successful *We're for You* advertising campaign. This initiative -- campaign continues to drive our tourism theme, *We're New Jersey, and We're For You!* This campaign encompasses television -- you know, we do a lot of TV work, radio, and digital. And we also have a substantial public relations outreach.

The Division of Travel and Tourism also utilizes an interactive and informative *VISITNJ.org* website, which continues to grow, with hits to the website increasing this year, right now, on average, between August 2017 to August 2018, 16 percent over the prior year. And usually when that happens, it bodes really well that there are a lot of people who are interested in New Jersey. And believe it or not, on our website, we get nearly 5 million visitors each year.

We have a flagship tourism publication, the *New Jersey Travel Guide*, which continues to promote New Jersey all year long to about 400,000 potential visitors and residents alike.

Now, our research reveals that visitation to New Jersey is increasing, as visitors use our website to research and plan their vacation. We know that the website is going to be continually important for us to continue to invest resources in, because it's a go-to place to get all the information about what to do and see on a vacation here in New Jersey.

The web component of our marketing plan -- you know, we get involved like every destination with key word search. We want to make sure that when anyone wants to find out information on a great vacation, that New Jersey is one of the top places that they would see when they go to the Internet or on their cell phones. And we also work with our Destination Marketing Organizations across the state. We have about \$2.4 million a year invested in those Destination Marketing Organizations, and they are really responsible for making sure that our message is not just branding New Jersey, but they know about the local county tourism opportunities within the state, and attractions.

We also administer the peer-reviewed Cooperative Marketing Grant Program, which provides funding to organizations of all sizes across New Jersey, typically to promote a lot of events, attractions, and activities. In Fiscal Year 2018, 35 tourism-related organizations were awarded grants, totaling about \$611,000.

Alongside the efforts of the Division of Travel and Tourism, our counties have succeeded immensely, as our economic impact report revealed that continuation of non-shore counties generated the largest share of tourism revenues, to the tune of 52 percent. And I have been doing this for about 20 years; I started promoting travel and tourism for the State in 1998. And at that time, it was probably 70 percent of tourism revenues that were generated in the State were from those four Shore counties. We flipped that, and I think that has a lot to do with the fact that we have our Destination Marketing Organization's Cooperative Marketing Program, where they allow us to show that New Jersey is more than just the Shore. You know, our revenues at the Shore continue to increase; but at the same time, we are getting even faster increases on the non-Shore areas. So it just all bodes well for New Jersey and the powerful tourism product that we have.

We also try to extend our tourism beyond just the summer. So, you know, we have great winter campaigns; and this year we tried something different, where we focused on just strategic places around the state because we know that there are slowdowns when it comes to the fall and winter in the state. But there are so many great things to do, especially

we looked at Cape May and some of the great opportunities that you can do at Christmas in Cape May.

We focused on the northern part of the state, with the skiing areas, Mountain Creek and the Crystal Springs Resorts.

And then, in Central Jersey, there's a lot to do in the winter, with going to shows and the State Theater. And we had a substantial increase in visitation. We got reports back from all of our partners that it was very successful. So our strategy now, for the off months, is to really take a look at what is the great opportunity for the State to promote during those down months, so that we can really increase tourism and be very impactful with the limited dollars that we have.

So we also acknowledge that we kind of focus on three states. We, from our research, realize that we have about 101 million visitors who come to the state each year; and 50 percent of them really are coming from three states: They are coming from New York, New Jersey, and Pennsylvania. So most of our focus -- we continue to market to those areas because, again, a lot of time it's cheaper to market to customers that you know love New Jersey and will continue to come.

But we have also expanded out to Ohio and Canada; and we found that Ohio is a great ripe area. It's one of our tertiary markets that we're seeing a lot of growth; that, in fact, we started marketing to Ohio last year, and we're seeing up to 100,000 web visits a month from visitors in Ohio. So that's becoming a good market for us -- western Pennsylvania and Ohio, because they tend to flock to South Carolina and North Carolina. But they are really landlocked; it's a good opportunity to get them to come, you know, to New Jersey. And typically what happens -- our research shows

that they're not just going to come for a day trip; they're going to stay some extra time. So that's a pivotal area that we're working with as well.

And then we're also, you know, not just working with the basic attractions that we all know of, with the Shore; you know, we're also integrating arts, history, and culture into our travel and tourism lexicon. And it has been invaluable. The promotion of travel and tourism, the arts, culture, and history ignites and fuels many of our towns and cities by bringing thousands of people to their restaurants, hotels, retail venues, and attractions, while pouring millions into the local economy

What's more, as one of the original 13 colonies, New Jersey holds a unique and pivotal place in the history of our nation's birth. So we are actively working with our sister historical agencies and partners to showcase New Jersey's unique placement during our nation's 250th birthday on July 4, 2026.

So we'll continue to meet with our stakeholders and tourism advocacy organizations to gauge support for our current programs and help us to identify our strengths and weaknesses. We welcome feedback from you.

And as I said at the outset, this is some very real progress. It would not have been possible without your ongoing support. We have been given the tools that we need to best serve the residents of the state.

With your continued backing, I am confident that we will not only meet, but exceed the ambitious goals we have set for ourselves in the coming year.

Please let me know if I can be of any assistance, or if I can provide you with more information.

Thank you.

SENATOR BEACH: Thank you.

Any questions? (no response)

I have a couple of things.

This is the third meeting in a series of meetings that we have had, related to historic preservation, tourism, etc. The first meeting was in a New Jersey winery; the second, at the Old Barracks in Trenton; and then here in Atlantic City. And one of the things that was kind of prevalent in the first two meetings was a lack of signage; and everyone was talking about that.

MR. MINICK: Right.

SENATOR BEACH: So I guess my question to you is what can we do, or what can you do to increase signage? Now, it's my understanding that our small businesses -- like, if you have a winery, a brew pub, a distillery -- you are so restricted where you can put signage. And the signage is about \$800 a sign--

MR. MINICK: Right.

SENATOR BEACH: --that is the responsibility of that small business.

MR. MINICK: Right, right.

SENATOR BEACH: And we have so many regulations that it's really a bunch of baloney. We are *preventing* what we should be *promoting*.

MR. MINICK: Right.

SENATOR BEACH: "Well, you can't put a sign here," because of all this nonsense.

MR. MINICK: Right, right.

SENATOR BEACH: So I think we need to start applying common sense. And what is it that we may be able to do to bring about a commonsense change to that?

MR. MINICK: Well, Chairman, this has been an issue that just hasn't happened recently. Like I said, I've been in the State for 20 years, and the issue has been here for a long period of time. And it really came down to funding, from what I understand; funding, and then also who pays for it. You know, there are county roads; like I said, there are businesses that would be required to pay for it. But as the Division of Travel and Tourism, I think it probably would make more sense to work with the Department of Transportation and see if we can work on some funding--

SENATOR BEACH: Right.

MR. MINICK: --to fund some of the signage. Because it's very expensive, apparently.

SENATOR BEACH: Yes; and I agree with you that we need to take a look throughout the entire structure and find out a more commonsense way--

MR. MINICK: Right.

SENATOR BEACH: --to accomplish these goals. Why should a small business, that's struggling to stay alive, have the burden of doing something? We should be helping them, as a State.

MR. MINICK: I agree.

SENATOR BEACH: And we can do these things at a very low cost, or no cost. It's my understanding that the Department of

Transportation has a sign shop, where they actually make signs; but yet, they're not going to make them for New Jersey small businesses.

MR. MINICK: Right.

SENATOR BEACH: And why wouldn't we expand that? And if we do that, we can cut the cost.

MR. MINICK: Right, right.

SENATOR BEACH: So we'll be looking into that. And I would ask my fellow Senators to support initiatives to do that.

MR. MINICK: Yes, because it would help tourism, there is no doubt about that.

SENATOR BEACH: Right.

MR. MINICK: Definitely, definitely.

SENATOR BEACH: Well, thank you so much for your testimony.

MR. MINICK: All right; thank you.

SENATOR BEACH: No other questions.

MR. MINICK: Thank you very much.

SENATOR BEACH: We appreciate it; thank you.

SENATOR BEACH: Next to testify is Atlantic City Councilman Kaleem Shabazz.

Kaleem, thank you so much for coming.

I was texting the Mayor, trying to get him here. But I'm sure he probably got tied up somewhere.

C O U N C I L M A N K A L E E M S H A B A Z Z: He did, and he wanted to come.

Good afternoon, Chairman and Committee.

Let me just say, on behalf of the Mayor and the Council President, and of course all of the City Council, we welcome you to Atlantic City. We thank you for coming. We salute our Senator, Senator Brown, for inviting you to come down to Stockton.

And, really, I'll have written remarks that I will submit to you.

I just wanted to say, first of all, we wanted to welcome you. Secondly, I wanted to indicate that we are with the consensus of people in leadership and lay people in South Jersey, that there should not be casino expansion. I think, as some of you probably spoke to, there's very rarely a consensus on issues, across the board, in America in politics in government. But I think I can say, as far as civic leadership, political leadership, community leadership, we have a consensus in South Jersey that we want you to help support us to keep what we have, as far as casinos, existing in Atlantic City.

I think everyone would agree in leadership that Atlantic City is making a turnaround. And we are trying to make a comeback, and we need your help in that area. A witness to that is this room right here, the Fannie Lou Hamer room where you're having your meeting. The fact that Stockton has just opened up and is having a beachhead in Atlantic City is a tribute to the fact that Atlantic City is making a comeback. They made a major commitment, and we are happy to have them here in Atlantic City. They are going to expand, and that makes us feel that the future of Atlantic City is brighter.

I won't bore you with all the litany of the things that I think make sense in Atlantic City, as far as development, the different projects,

the different private investors who are putting money in Atlantic City. That all argues for us to be against the expansion of casinos in North Jersey.

Let me say, very quickly, also my other hat -- I'm the President of Atlantic City NAACP Chapter. And we are vitally concerned with employment, because the unemployment figures in Atlantic City are too high; and we want to make sure that people have full-time jobs that pay a living wage. And the strengthening of the tourism economy helps us in that area. So we encourage you, from that point of view.

I noticed in your Committee's Government, Tourism, and Historic Preservation -- let me just say to you that the Atlantic City Municipal Stabilization Act has enabled the State government to take over Atlantic City. I won't bore you with the history of all the histrionics and emotions that we went through with that; Senator Brown and Senator Jeff Van Drew, our allies in local government, with the resistance of that.

But we understand the fiscal -- F-I-S-C-A-L -- matters that brought us to the situation of the turnover. But would suggest to your Committee that you help us, as we move forward, looking to see how we can get back to self-government. And all of you are elected officials; I know you feel our pain when we say it's local elected officials -- that we chafe under the onerous and strenuous constraints of State government over us as the local level of government.

So I would respectfully request that you help us in that review to see how we can get closer to self-governance. We realize and I want to put it on the record, obviously, that we understand the need for responsible financial controls, responsible budgeting; we get that. And we understand the history of where Atlantic City has come from. But I would suggest to

you that we have a different mindset on City Council and the Administration; and that we are in concert, we are in consensus to make government better, smarter, and cheaper. And we would ask for your help in that.

And finally, let me just say that, again, I commend you for coming to South Jersey. Those of us from South Jersey -- and I know Senator Perez will agree with me -- we have, sometimes, a feeling in South Jersey that we are neglected and we don't get the same kind of treatment and concern that other parts of Jersey gets. But you have disproven that by coming here today; and I welcome you, and I thank you, and I'll get my written comments to you.

Again, thank you for letting me make a presentation, Senator.

SENATOR BEACH: Councilman, I'd just like to say to you that you have two wonderful representatives who are always fighting for you in Atlantic City, in Senator Van Drew and Senator Brown. And I know that, firsthand; so you're in good hands with those two guys.

And I appreciate what the Mayor and Council-- And please bring back to them my best wishes. I think it's a really neat thing when I glance outside, and every couple of minutes there's a hardhat walking by.
(laughter)

COUNCILMAN SHABAZZ: Absolutely.

SENATOR BEACH: And that sends a tremendous message to the direction that Atlantic City is heading. And that's why we're here.

So thank you. Please extend our best wishes to Mayor and Council, and keep up the good work.

COUNCILMAN SHABAZZ: Chairman, I appreciate that; thank you.

SENATOR BEACH: Are there any questions?

Senator Brown.

SENATOR BROWN: I just want to take a second to acknowledge and thank Councilman Shabazz for being here.

And I can tell you this is another example of a personal relationship that transcends parties in all the other things that so often split us apart.

Kaleem, I consider a friend; there isn't a place that I'm at that he's not at, and that he's at that I don't try to be at. And that's because it's about everybody who we represent, not just throughout Atlantic City, but throughout the region.

And I bring this up because I'm going to take responsibility for a breakdown in communication. And so I got a note from the Mayor this morning, who indicated he felt that he was not part of the hearing, and it was my responsibility -- I'll take -- for having a State Committee hearing on State issues. He certainly is always invited to anything that we ever do; and did invite, but, unfortunately, there was already something scheduled.

But here, in Kaleem, we have somebody who rises above personal issues or feelings as though, "Maybe I should have been invited sooner; maybe I was invited sooner." But he's somebody who understands that people are just doing the best that they can and just trying to make sure that Atlantic City and Atlantic County are well represented; and that they put their egos aside, and they're able to just come and present what they have to say.

And so it is a privilege for me to be able to be here today with Kaleem and listen to what he has to say.

And so the last time we were together -- I don't know if he-- So this is how diverse it gets, right? So, of course, the NAACP -- we've been friends and members for a long time.

COUNCILMAN SHABAZZ: Yes.

SENATOR BROWN: But we were at Beth El Synagogue, honoring a retiring Republican; and Kaleem was one of the keynote speakers. And what I mean is, Kaleem transcends party; and everything that is bad about government, he transcends. And he just brings to all of us the good and the heartfelt meaning to make sure we get it right.

So I went on and on a little bit; but he's a friend, and I thought it was important.

So thank you, Kaleem, and thank you for being here.

COUNCILMAN SHABAZZ: Senator, I appreciate that.

I wish I could take that out and take that home; so when my wife gets on me about taking out the trash, I can let her hear that.
(laughter)

I appreciate that.

SENATOR BROWN: Well, you should take out the trash. I'm going to get with your wife on that one. (laughter)

COUNCILMAN SHABAZZ: Okay.

And Chairman, again, let me say thank you. And we do realize, in Atlantic City, the two superstars that we have in Senator Brown and Senator Van Drew in terms of representing us. We realize that, and we

honor that, and we are very thankful for their leadership and their representation.

SENATOR BEACH: Well, before I call on Senator Van Drew, I just want to tell you a little story, because when I had the opportunity to become a Senator, I thought, “Wow, that’s pretty cool.” And I said to my wife, “You think you’re going to start calling me *Honorable*?” And that didn’t go over too well, so take out the trash. (laughter)

Senator Van Drew.

SENATOR VAN DREW: Yes, as somebody who’s been involved in local government and politics for a long time, at various levels, that is absolutely accurate. Never try that. (laughter)

COUNCILMAN SHABAZZ: That’s right.

SENATOR VAN DREW: I just wanted to say that you have my commitment, and I’m sure everybody’s commitment here, to try to get the city to the point of self-determination.

COUNCILMAN SHABAZZ: Thank you.

SENATOR VAN DREW: And, you know, that is a really key component of what needs to be done in order for the city to move forward. You can’t have the success you want to have while you have an overlord at the same time. So that’s something we have to keep working on, keep pushing for it as we come out of what some of the problems were in the past and moving to a better future. And you have my commitment to help you with that.

As you know, I had concerns with that from the jumpstart, and I still do have concerns with it. You have to make your own decisions in life, and the city needs to do that as well.

So thank you for the hard work you do; thank you for being here, and I look forward to working with you.

COUNCILMAN SHABAZZ: Thank you so much, Senator; thank you.

SENATOR BEACH: Thank you, Councilman.

COUNCILMAN SHABAZZ: Thank you, thank you.

SENATOR BROWN: Thank you.

SENATOR BEACH: Our next speaker, Joe Kelly, Greater Atlantic County Chamber.

J O S E P H D. K E L L Y: Thank you.

Good afternoon.

Thank you, Chairman; thank you, Committee members.

You have a copy of my written comments, so out of respect for the folks who speak behind me, and out of respect for your time, I'll just highlight two to three points.

The first point: I want to say thank you. There's been a lot of talk today about aviation, and linking aviation to tourism. And I'd like to connect those lines.

Your support of recent initiatives to encourage development at the airport has been significant to this marketplace. For those who don't know, the FAA employs over 7,000 people and the economic impact is over \$680 million. We're very bullish about building on that and encouraging continued development.

So I'm here today to connect the lines between all the talk about development, and thanking the Senate for having supported that across the board, in that that does lead to tourism. You'd be shocked at the

number of room nights that result in Atlantic City as a result of the FAA. You'd be shocked at the amount of tourism that happens, just from that one entity.

So the point I'm making today is the importance of linking economic development, business development, to tourism; in that that's a very good thing, and that's a very healthy thing.

The second comment I have today is a little more in the weeds, and something that I think the Committee can help us with.

The Chamber produces -- it was a Chamber idea -- does the Air Show. The Air Show generates about 400,000 folks; viewing starts at Brigantine and goes well past Ventnor. The smartest thing we ever did is doing it over the ocean. It's a free event, and really, after 16 years, has become a success. By the way, the economic impact of the Air Show is \$26 million in one day.

One of the challenges we have is the regulatory environment at the State on certain things. So I have an idea; and it's consistent. And as the producer of that Air Show, that pulls you off-task of delivering the show -- the amount of time you have to spend figuring out and handling insurance regulations and other-- And there are a number of them.

So here's the idea. One, we ought to have event planners sit down with the State departments that provide governance for these regulations. And between the two entities they ought to decide and say, "Okay, here's the script. Here are all the regulations; here's how they might impact you," and so you have a good docket to work from.

Two, the State should appoint an expeditor, as it relates to regulations. Rather than asking the event manager to go to five or six

departments of State government, they could go to the expeditor; the expeditor could then, hopefully, make it quicker and easier.

The reason I bring it up-- And I know this one is kind of in the weeds, and probably seems a little self-serving. But the truth of it is, is these events generate significant revenue, they generate the numbers of visitors. So if you go to Live Nation; if you go to others-- And a lot of people who do these events are a little reluctant to talk about it, because they might get a harder time doing their event. We're a Chamber of Commerce; we've been around for over 100 years, so we're pretty comfortable in our own skin. But that is one thing -- and it might sound like a small thing -- but just imagine if we did 10 more events because we made it a little easier; and take the 10, and go to the 20, 30, 40.

So I wouldn't be doing my job-- I've never been before this Committee without bringing up *No North Jersey Casinos*. I don't want to break my record. It has been clearly stated, the 80-20, in my comments. One thing that's in my comments that wasn't in-- Some of the studies that really factually say to folks -- we have enough brick-and-mortar casinos, and the amount of gaming doesn't keep up with it. It absolutely -- it is a bad thing, has been a bad idea, and I think enough has been said about it. But please know that we're on watch; every day there are locals thinking-- Because it could have been so bad, and I appreciate the comments that were made.

In closing, we just scratched the surface. We're so early in this transition of this marketplace, and the diversification outside of gaming. We couldn't be more excited, as we have Stockton, and we have South Jersey industries, and we have two new casinos. And it's really a good

feeling; but I will tell you, it's a lot of people working together in the marketplace.

And my first comment, about promoting the incentives to encourage business -- I'd also encourage that we all work together to strengthen that line to the private sector. You had a gentleman, who invested over \$400 million in a project locally, who made an offer to say, "If I could help, I would." And I think it's up to all of us to create that environment that allows for that private sector input so that they can be supportive of these initiatives.

I appreciate the time today; thank you very much.

SENATOR BEACH: Absolutely common sense.

Question?

SENATOR VAN DREW: Just real quick.

Again, you're on target; I think everybody's on target today.

But particularly when you say that it is one of the frustrating parts of government -- I would think that almost everybody at this table would agree with me -- at times it seems, from the government end, it's almost, "How can we slow things up a little bit; or how can we make it more challenging?"

And I'm speaking about noncontroversial stuff. Nobody's talking about putting in some kind of a nuclear, chemical factory plant on the-- I mean, real basic things that are just really good for business, good for the economy, good for tourism, good for the region. And yet, so often, you know, you have to call, you know, one of your Senators or somebody else; and we have to make calls, or we have to push, or whatever has to happen.

It shouldn't be that way. Actually, what government should be doing-- And I still have never seen us really reach this goal, to be very candid, with any Administration; really, truly reach this goal. Government should be there, actually saying, "How can we make it happen? How can we help you to make it happen?" Because that's what generates the dollars.

And you know what the truth is? For those folks who care about other functions of government -- like taking care of those in need and so forth -- the better that you all do, the more revenue that you generate, the more revenue that comes to the State, then all those other good things -- whether it's full-day pre-K, or whatever else it is -- are easy to do, and you can do them without raising taxes. So I think you're right on target on that.

And then, secondly, I know it's been mentioned over and over again, because it has to be: no North Jersey casinos, period. And everybody is going to have to stick together on that. That is a knife in the heart of the people who live in South Jersey.

MR. KELLY: Thank you, Senator

I just want you to know that we are ready to go. So when you need the private sector input into these initiatives, I hope you know that you can call on us, and we are happy to be there.

SENATOR VAN DREW: Well, it's a particularly -- and this is not a political forum, but if I'm fortunate enough to have an opportunity that might come my way, I certainly will.

MR. KELLY: Thank you.

SENATOR BEACH: Thank you, Senator.

Any comments, questions?

SENATOR BROWN: Just one, yes.

I just want to take a second to thank Joe Kelly for being here; and to thank him for all that he does, through the Chamber, for all of us who work, live, and breathe in Atlantic City and Atlantic County.

The reality is, on the forefront of any issue that may come up that affects business, that affects growth, affects the quality of our lives, Joe and the Chamber of Commerce are there with thoughtful leadership and thoughtful guidance. And you know, Joe, that my door's always open; and we have had many meetings and discuss a lot of issues -- none more often and more vigorously than stopping North Jersey casinos. And I thank you for your leadership on that as well, and I appreciate you being here today.

Thank you.

MR. KELLY: Senator, thank you very much.

SENATOR BEACH: Thank you, Mr. Kelly.

Our next speaker, Curtis Bashaw, Cape Resorts.

CURTIS J. BASHAW: Thank you, Senators, for having me here today.

I'll be brief as well.

But having spent time in Atlantic City, I'm, today, bringing you greetings from even further south than here, and that's the southern part of Cape May County.

We started businesses there 30 years ago with 40 employees; and now have about 1,000 employees, 400 year-round, through a constellation of small businesses, effectively.

And there are many, many, many hundreds of small businesses that couldn't be here today, because they're busy working and struggling to execute in the tourism economy.

A couple of thoughts: From my perspective, for the Committee's consideration, as it relates to public-private partnerships -- they're so important if we really want to expand the footprint of tourism from our brand leader. The brand leader in New Jersey is obviously the Jersey Shore; it's what we're known for, for tourism.

And we can sometimes miss the point if we dilute that message so much that we're everything to everybody, and then we become nothing. So the brand and being consistent with the brand is very important.

The room tax issue just sort of still befuddles me. You know, we were told it was going to help promote tourism; and it really doesn't. And it's a lot of money that we collect that goes to the State that doesn't recycle into initiatives that really help support tourism. It's viewed by many of us in the business community as just a bait-and-switch; and, you know, we don't even get reimbursed for the credit card charges for the sales taxes we collect for the State. That's a lot of money.

So really figuring out the structure and the message-- You know, we have lots of regions; and we divide up the little bit of money that Tourism and Travel gets -- is split up into such small bits I'm not sure where the impact really is. So as we think about the brand, you know, having worked hard to help Cape May -- which, I'll talk about that story briefly -- you know, we have done a lot of cooperation. When I opened the Virginia Hotel, in 1989, we were a Memorial Day-to-Labor Day town, with a little bit of a hangover to Columbus Day, thanks to Victorian Week. And now we operate four of our five hotels for 365 days a year, and that's because we've successfully positioned ourselves to be a legitimate weekend getaway for the 40 non-summer weekends. And to do that, we've created activities

that are tied to our core competencies, but that go beyond. Southern Cape May County -- our economy, for 200 years, the tripod has been fishing, tourism, and agriculture. And now we see the reemergence of agritourism. We're partnering with the fishing industry even by promoting Cape May scallops on our menus; and our guests are -- no pun intended -- eating that up. Because the consumer today really wants experiences with their travel.

So I think it is possible to expand and leverage the influence of the Shore further throughout the state, and to extend the season. But to Senator Van Drew's point, we need to have a context that's friendly to do that.

You know, we're big enough, after 30 years of working very hard in the marketplace, to be able to come to a meeting like this. But if a young person wants to start a business, taking South Jersey beach plums and making jams, it's not like they have a welcome anywhere when they try to figure out how to open their business. It's always easier for a regulator to say "no" than "yes"; that's their incentive. So who's going to welcome that young person with open arms to say, "Gee, you want to do that business? Let's see how we can help you."

So I've encouraged our city and county governments to, you know, empower their health departments to write the things out for these young people so that they can start businesses. So creating, truly, a regulatory environment that says, "We're open for business" is important, because little things add up. And speaking of brand, New Jersey does not have a rep as a business-friendly state. If somebody has a choice of where they're going to go-- I see kids who grow up in our county, who work for our tourism industry, who leave all the time; and we want them to stay.

But a lot of that is running into the zoning official, or running into the building inspector, or the fire-- And the list gets so burdensome, they're, like, "Whew; no, not for me."

So a couple of things about partnering, that I think are interesting, that I've looked at in our area-- But we now have visitors coming 52 weeks a year, and we need things for them to do. And to where partnerships could get more proactive, we've been blessed, in Cape May County, where the State and the County open spaces has saved a lot of land by buying it up to keep it from being mis-developed. Now, we're almost to the point where they don't have the funds to manage the land. They've acquired it, but it's sitting there, you know, not accessible to the public.

And I've mused at how other places have created, through concessions and partnering with the public and private situation, concessions that help fund the parks department. We have so much fallow land now that we need to figure out a way that we can partner to make that accessible, whether it's for more agriculture, more trails, more hiking opportunities.

Whether we like it or not, we're competing with the whole world, with the Internet the way it is. So we need to be a world-class destination. And so to think more broadly -- we see a lot of folks, in Cape May, taking the ferry to Rehoboth, because they have one of the most amazing bike paths all the way down. We need to be cooperating with each other to create some of these bigger initiatives, because without change and innovation, any product gets stale. And we've run the risk of that through the years; and we've tried, in our way, to continually innovate, and have succeeded in growing. And I think there's more growth that we can do, but

we have to connect the Pinelands to the birding, to the Bayshore, to the Shore. And so these cooperations are important.

Two more things, and I'll stop.

You know the minimum wage is a tough issue. People want experiences, and experiences need to be authentic. And small businesses are the ones that create authentic experiences. You know, we helped facilitate saving a little candy shop in Cape May, where the kids still scoop the gummy bears into bags. It's not all coming from a vending machine. And that experience is real; but we're employing afterschool kids, high school kids; to jump everybody to \$15 is tough. So in thinking about the minimum wage, which we understand, very few of our employees even earn below the minimum wage because the job market, for us, is tight. That said, there are certain categories that I think need to be looked at as special exceptions, so that we don't get discouraged from hiring a kid after school to scoop a dollar's worth of gummy bears into a cute bag so that the customer can have that experience.

Thanks for your time today. And let's be sure that we really don't forget that the brand of New Jersey is-- We're starting a little bit below grade. I go -- and I have five hotels, very nice properties in Cape May; and when you say you're from New Jersey, you still have people say, "Oh," and, you know, you get people who just dismiss us.

So we need to really work together and use what dollars we have to promote the brand in a smart way, and not let politics dilute our message. We can't be everything, at the same time, to everybody.

So the Shore is our jumping-off point, and we need to undergird that economy. And then we need to use dollars -- perhaps from

the room tax -- properly steered into real tourism promotion; to even help open up the parks, to be a better partner with tourism because their budget is so stressed.

Thank you.

SENATOR BEACH: Thank you, Mr. Bashaw.

I'm smiling because my daughter, like 30 years ago, was that high school kid scooping gummy bears. (laughter)

So I like the analogy.

Senator Van Drew.

SENATOR VAN DREW: Just a quickie.

I wanted to thank Mr. Bashaw for being here. He has, indeed, been a successful businessman in every aspect of the word.

And you know it's been my argument for a long time-- I remember when the room tax was put in; and we argued against it, fought against it, had all kinds of events, literally, to say that it was the wrong thing to do. Yet it went through; and, of course, as so much happens, I always-- And again, I'm being very candid; I don't know why. I think maybe, in my old age, I just don't care what I say anymore, you know?

SENATOR BEACH: When did that start? (laughter)

SENATOR VAN DREW: Yes, really. I always never cared what--

So often, let's face it, in government, we say, "Gee, we're doing a tax, but we're going to use a large portion of it for X, Y, and Z." Then the other one is, "We're going to do a tax, but it's going to sunset." Now, I've been around -- I'm on my 17th year of State government; that's not government in general, because I served at the local level -- I've never seen

that happen. I mean, pretty much, when the tax goes in, it stays, and you're going to keep paying for it. And very often, when a tax goes in it is not used in New Jersey for the given purpose. And so that's particularly the problem with the room tax. So it wasn't-- We knew it wasn't going to be, just like we knew -- and I don't mean to change the subject, but if they built North Jersey casinos, you know, maybe for the first year or two they would have sent money down. That would have stopped; they wouldn't have sent the money down; it wouldn't have happened. You just have to be realistic.

And then, finally -- the point that you bring up, that multiple people have brought up -- this is really difficult to do. And we haven't seen this really happen too often. Once in a while, with an individual person who's good in government -- but government should be there to say, "How can we facilitate that thing? How can we make that happen?" And I hate to say it, but it's like the old joke, "We're the government; we're here to help you." Well, that really should be true. They should be the government, and they really should be here to help you -- all of us -- and try to make these activities happen. Because, again, when they do, then the government will do better and revenues will go up; everybody will make money, including the State coffers. It really does happen. When the economy is good, we do better. And you see that on Budget, you know?

SENATOR BEACH: Yes.

SENATOR VAN DREW: You were on the Budget Committee for a while; I was on the Budget Committee for years. And when things are going well, there's a lot of money coming in. It's a lot easier budget to do. So I think all of that is true.

Talking about it is one thing, making it happen is another. And I think we all should be focused in all the votes that we take, as we all sit up here, that we try to do those things and commit to those votes that accomplish these goals; and remember the people who are sitting here today.

SENATOR BEACH: Thank you, Senator Van Drew.

I can remember my grandfather saying about the Ben Franklin Bridge, when they first built it and they set the price at 25 cents, and they said, "You know, you're probably only going to have to pay 25 cents for four or five years, and then the Bridge is going to be free." (laughter)

SENATOR VAN DREW: That was the Garden State Parkway too.

SENATOR BEACH: Yes, yes.

SENATOR VAN DREW: The tolls were going to go away. Anybody who believes that, I'll sell you the Parkway or the Bridge. (laughter)

SENATOR BEACH: Don't bring up those red lights again. (laughter) I already gave you--

Senator Brown.

SENATOR BROWN: Yes, thank you, Chairman.

Well, seeing that you came down here to Atlantic City and Atlantic County -- and I know this has been a place that you've considered a home as well, not just in Cape May County -- I want to make sure that I thanked for your testimony.

You know, Senator Van Drew is correct. When you have a corporate leader and somebody is willing to invest their own money, their

own equity, their own hard work into our great state; and more importantly, whether it's Atlantic City, Atlantic County, or Cape May County, they shouldn't be telling us that our state is not business-friendly. If there's anybody who the state should embrace it's those entrepreneurs and those leaders who are willing to take their own money.

Now, we have a lot of people who come to the state and say they want to invest, "Can you loan us the money to invest?" Now, sure, we can embrace them too; but that's a little harder than when you have somebody come to you and say, "I have my own money, my own energy, my own know-how, my own skills, my own labor, and I'm willing to invest all that in your great state." And Curtis, you were one of those people.

And so I just wanted to make sure that I took a moment to thank you for all you do for our region; your advocacy, your attention to detail. And when Curtis says that something doesn't look so nice, or if somebody else says it doesn't look so nice -- you go down to any of the hotels that Curtis owns and runs in Cape May County, and they are second-to-none. They are absolutely beautiful, and that's a tribute to Curtis, and his leadership, and his care, and his dedication.

So thank you so much for being here today and enlightening us.

(applause)

SENATOR VAN DREW: Thank you, Senator.

And next we're going to have our Wildwood contingent, John Siciliano.

Are you coming up too?

JOHN EXADAKTILOS: Yes.

SENATOR VAN DREW: Come on up, John. Everybody?
Okay. (laughter)

You're the head guy, huh? (laughter)

MR. EXADAKTILOS: He's the man.

JOHN SICILIANO: Well, good afternoon.

SENATOR VAN DREW: And he's from the Greater Wildwood Tourism Authority, otherwise known as GWTIDA.

MR. SICILIANO: Yes.

I want to thank Senator Beach, and the members of the Senate Committee, for conducting this hearing today.

And thank you all for giving me the opportunity to share my thoughts on strategies to strengthen tourism in New Jersey's coastal regions, and ways to use the appeal of the Jersey Shore to expand the tourism industry and economy in the State.

As the Executive Director of the Greater Wildwoods Tourism Improvement and Development Authority, a tourism district created in 1993, we are the Destination Marketing Organization of the Wildwoods as a family vacation destination. But we're also the operating agent of the Wildwoods Convention Center, on behalf of the New Jersey Sports and Exposition Authority,

And as the tourism authority in a coastal town, and one that operates a convention center in one also, it was apparent to us from the very beginning that our challenges were going to be the shoulder seasons. Beaches and boardwalks have defined, seasonal, useful lives, for the most part. We needed a hook to have visitors come on a more year-round basis.

So to do so, we developed a plan to use special events to enhance our economy. So as a tourism authority, we set aside between \$500,000 and \$600,000 a year in marketing dollars that we make available to promoters of events for marketing purposes. Promoters -- they fill out applications annually; these applications are reviewed by a committee, and the committee evaluates them and determines if the event is the right fit; what the probability is not only for the event's success, but on its potential for growth and its ability to generate overnight stays.

We also plan to have the events happen contiguously to keep as much momentum on the tourism economy as possible.

In addition, we knew and understood that there would be a need to promote our other assets, such as our wineries, our breweries, our zoo and parks, and historic and cultural attractions as well. We feel that we have been fairly successful in our attempt to expand our tourism economy in the Wildwoods; however, we're never satisfied.

Now, in 2017, New Jersey visitation rose to over 100 million, realizing visitor spending of \$43 billion. It was an increase of 2.4 percent over the prior year. But even with that increase, we shouldn't be satisfied as an industry.

The Jersey Shore is the main brand for our State. It represents more than half of all total tourism revenue generated in the state. But tourism funding seems to be funded at the bare minimum required by legislation every year.

I realize no one ever says that they have enough money; but it's a proven fact that for every dollar invested in tourism, the return to the State is more than tenfold. There is a real potential for sustained revenue

growth in adequately funding tourism. But equally as important is supporting tourism by supporting tourism infrastructure; and Tourism needs to support tourism. Our coastal communities can't afford to bear the brunt of these infrastructure needs on the backs of the local taxpayers.

And I think we have heard enough today from people talking about transportation issues and the like that definitely fall under the infrastructure category.

I, along with other tourism executives, feel that we're losing our market share to surrounding and nearby coastal shore communities. There are areas like Ocean City, Maryland, and Virginia Beach, Virginia, that have marketing budgets that come close to or surpass our entire State tourism budget, and it's just for their geographic area. And you can tell their presence in our visitor markets has become blatantly obvious.

The total funding for tourism, arts, history, and culture needs to be increased to allow for branding and marketing of tourism, which will effectively generate substantially more revenue for the State. To that end, the State of New Jersey has recently implemented the taxing of transient rentals on online booking portals, such as Airbnb, VRBO, etc. I am not sure of all the nuances of the legislation; however, I do struggle to understand the reasoning for New Jersey not applying the tax fairly and equitably to all transient rentals.

It may not be a popular comment, but an old saying, "If it looks like a duck, if it walks like a duck, if it talks like a duck, it must be a duck." And, in my opinion, the *it* refers to transient rentals. A transient rental should be defined, as it was meant to be, by a length of stay, not by

property description. And all other competing states, by the way, tax transient rentals.

The State of New Jersey Report on the Economic Impact of Tourism in New Jersey, in 2017, indicated that the rental of second homes is a \$4 billion industry. The State has, for years, taxed hotels and condotels, but has missed the opportunity to tax all transient rentals; and that leaves hundreds of millions of dollars on the table in room occupancy and sales taxes. These taxes are paid by our visitors. But if the State wished, it could take this revenue into account and maybe even reduce the existing percent of overall taxation on the industry itself, but would still gain revenue substantially.

But no matter. One issue I see with the tax on the Airbnb, VRBO, etc., is there is no mechanism in the legislation to earmark a percentage of the newly generated revenue to the industry that generates it.

There is a lot that can be done with additional funding to travel and tourism in the State. One, additional funding would allow the Division of Travel and Tourism to brand the state and to use the dollars to implement an aggressive public relations campaign to strengthen the image of New Jersey, as well as advertising its assets. Two, it could provide additional funding to the current Destination Marketing Organizations so they could do a much better job promoting the areas that they know and understand best. And three, they could set aside dollars for assistance to municipalities or DMOs for tourism improvement and development projects.

Another note that I would just like to make is the adverse impact of schools starting before the Labor Day holiday. Our Shore areas,

that depend solely on tourism as their main industry, desperately need to be able to hold on to our workers and our visitors alike. The school year beginning before Labor Day drains our economy of both, by effectively shortening the summer tourism season, resulting in substantial revenue loss and the loss of our businesses' resources.

So in closing, I'd like to thank you, again, for giving us all the opportunity to share our thoughts and ideas with you. And I strongly urge the Committee to consider the ideas presented. The increased investment in tourism will reap substantial returns to the State of New Jersey.

Thank you.

SENATOR VAN DREW: Thank you, John. (applause)

SENATOR BROWN: I want to go off-topic for a second.

I saw that our Chairman brought into the room our former Senator from Atlantic County, Bill Gormley, Senator Gormley.

Thank you.

Our tourism, and so many things that we have here in Atlantic County, are the result of years of hard work from Senator Gormley; and I think it's important -- as he heads back out, real quickly, because he probably doesn't like me talking this way. (laughter) But I wanted to recognize him.

I want to thank Chairman Beach for dragging him in the room.

SENATOR BEACH: I was trying to make sure he didn't leave, because he was trying to get out before he was introduced.

And thank you for your commitment to this whole region and what you accomplished in your years as a Senator.

SENATOR VAN DREW: All I know is he's smiling an awful lot lately. (laughter)

SENATOR BEACH: He is; maybe there's something to that.

SENATOR VAN DREW: Exactly.

Thank you, John.

MR. SICILIANO: Thank you.

Johnny Ex, who owns the Ducktown Tavern.

MR. EXADAKTILOS: Good afternoon, everybody.

Thank you for coming down to our beautiful city.

A few things I just wanted to ask and put on the table.

As a local small businessperson, communication and balance, I think, is lacking for the most part between the small businesses and the larger entities in dealing with purchasing properties or trying to do stuff. As stated before, it's a lot harder for someone of my size, compared to a larger corporation, to get something done.

And again, the word "no" was a lot easier to say than, "Let me try to help you out."

The last few years, this county, especially, has gone through a major struggle. We were number one in the country for foreclosures; I think we're still in the top five at this point; and we're starting to come out of this rut. Fortunately, Mr. Jim Allen, partnering with Joe Jingoli, putting these three buildings up; Mr. Bruce Deifik, buying the Revel, now Ocean; who has a phenomenal sports book, by the way. You know, he took a risk as well, too. So like a strip mall, we have our two ends; now we have to work on the center of town.

With saying that-- Well, with our neighbors in Cape May County, it's hard for us to survive with these taxes that we all pay -- the room tax, the luxury tax -- when everybody else in the state benefits from what we produce. And there really is no return.

Signage, signage, signage -- I said before, with the DOT -- if you come down Route 30, those signs coming in -- they need to be spruced up and replaced. They are worn out due to weather, you know? We do have nasty storms that come over here, especially our Nor'easters. And those signs are facing the northeast, and they are extremely beat up. So if you ever come down again, please take a ride and look at that.

But to make AC beautiful, or even our local beachfront properties as well, too, it's our entry points that we need to work on to accommodate and make our customers, or our potential customers, feel comfortable coming into town. And it's up to us, as small business people, to give them the ultimate experience. I mean, yes, gaming is not the sole purpose to come down to the area anymore. Like you said before, there's fishing, hunting, outdoor events. Like Mr. Bashaw said, with the wineries partnering up with his hotels; myself partnering with other outside promotional events. I mean, we do our part to bring in people. Another local person, John Henderson -- who tried to be here -- he's responsible for, probably, bringing in a half-a-million people a year, privately, into Atlantic City with the Seafood Festival -- which, unfortunately, Mother Nature took over -- his Cider Festival, and his popular Music and Beer Festival. Again, he doesn't get any help; he gets a lot of pushback. And partnering with him, I see that.

So I'm asking that this body -- if they can try to balance out the playing field for the small business person to get through, and let us create a better atmosphere, a better experience for our customers. We offer the best of everything on the East Coast. Again, Vegas -- it's casinos, entertainment, and desert. Here, I can go on for three hours of what we have. You know, with the gentleman -- I apologize -- behind me speaking about Wildwood, all the way up to here (indicates). We have to level the playing field and give us an opportunity, with some support, or ease up on regulations; or, if it ever happens, ease up on some of the taxes, especially luxury tax. Either use it back with us, or let us keep it to promote ourselves better for our outside public, to get them -- draw them to come here. Because the 80-20 split, as was said before -- I don't see North Jersey casinos happening, I hope. So let us keep it that way, and draw people to come down to Atlantic City, which is a main hub and a good source of income for the State. But you have to give us back some of our tax money to help us promote it, to make it what it is and better than what it's been.

Thank you.

SENATOR VAN DREW: Or all of the above, right. John?

MR. EXADAKTILOS: Yes.

SENATOR VAN DREW: Thank you.

Vicki Clark, from the Cape May Chamber of Commerce and the New Jersey Tourism Industry Association.

VICKI CLARK: Thank you very much.

It's my pleasure to be here with you today.

Senator Beach, thank you so much for the invitation to talk about one of my favorite subjects, the Jersey Shore.

I am here today representing the New Jersey Tourism Industry Association as its President; but I am also the President of the Cape May County Chamber of Commerce.

So thank you; you drive right by my office every day on your way down to the Cape May Tennis Club.

It is very easy for me to talk to you today about the Jersey Shore, New Jersey's *golden egg*; the part of the tourism industry in our state that generates thousands and thousands of dollars, generated from just the four coastal counties of Cape May, Atlantic, Ocean, and Monmouth.

And so often people get very upset when we talk about the beach, the Boardwalk, the Jersey Shore, because it really is -- it's so gigantic in its volume. And everyone wants to talk about the hidden gems around the state; and they are wonderful and they are precious to us all -- the art, the history, the culture of this state, and what it means to all of us here in the State of New Jersey. And there's a time and there's a place to have those conversations, and you're having those meetings around the state.

But here, today, we're talking about the bread and butter of New Jersey's tourism industry. So let's just jump right into it. And forgive me, because I will have to repeat some of the very important information that's been shared with you today.

New Jersey's \$42.9 billion in revenue -- as reported by the 2017 Economic Impact Report, commissioned by the New Jersey Division of Travel and Tourism -- \$20.8 billion is generated by just those four coastal counties. And this is accomplished with very little advertising and promotion done by the State.

Under the statutes of the 2003 Occupancy Tax, only the required minimum of \$9 million is invested in the total advertising and promotion for New Jersey, a number that has not been increased since 2006. And obviously, private industry and local markets are advertising their destinations; and individual businesses are doing the same.

But since the invitation to join you here today was to talk specifically about strategies to strengthen tourism in the coastal region, I will tell you that, without a doubt, New Jersey is losing market share to competing states by not increasing its own marketing and advertising budget to promote the golden egg; and, in this case, the Jersey Shore.

There is tremendous opportunity to increase revenues by filling mid-week vacancies during the entire summer season, especially during June and July, and expanding the shoulder season travel. And right now, September 12, we are in what the local community calls the *favorite month of summer*.

Although we've had a little bit of rain these past few days, we should be promoting September to be just as busy as it is in July and August; and it's simply not. I mean, the streets are vacant; our hotels have way too many open spaces.

So how do we do this? We have to take a look at how we fund our tourism industry. I mentioned the Occupancy Tax legislation, that was enacted in 2003, which is a self-funding mechanism. And I know we don't like to talk about taxes, but it is a way to fund the tourism industry through the industry itself. And you're all familiar with that.

But Senators, that was 15 years ago, before Facebook, Twitter, and Trip Adviser became more important than a trusted friend's referral on

where to plan your next vacation; before Expedia and *Booking.com* took over our reservation desks; before Airbnb, VRBO, and HomeAway entered the accommodations industry; before *Google* became a verb; before the Gig Economy. As I said, 15 years ago. It is time for New Jersey to catch up when it comes to promoting our tourism industry.

This past June, legislation was passed; and Governor Murphy signed the Airbnb bill to assure tax parity on the Internet transactions for transient rentals, known as the *Gig Economy*. That was to tax the type of transactions that were already subject to any other type of transaction, just when it happened on the Internet; not a new tax. But the opportunity was not taken to dedicate that tax revenue to measure and promote tourism. It's just going to the General Fund.

This Gig Economy is a new player in the vacation lodging industry. It's a competitor; it's a competitor to the business owner who is fighting to stay alive.

Unfortunately, the 5 percent State occupancy tax and the local occupancy tax in the communities who exercise this option is not being reinvested in the industry. And that helps to fill those vacant weeks, to promote special events, to expand the shoulder seasons, to focus on arts and history, to take care of the infrastructure of their communities, and to promote New Jersey's brand. It's headed for the general treasury when that bill goes into effect October 1.

So we need to take a look at that. We need to go back and see how we can fix that; it needs to be corrected.

The third strategy I would like to suggest to you today has been mentioned before, and that is, when are we starting school in New Jersey?

We are losing two prime weeks of our summer season; the last two weeks of August. We're a family vacation destination along the Jersey Shore. Our families are being called back to school. And not just that the children are returning back to the school, but also we have so many school employees who are working in summer businesses, and our students who are filling those jobs. Our businesses are struggling, not just to have their customers, but also to stay open and be adequately staffed to be safely operating their businesses.

Take a look at some of the states that have mandated that schools are starting after Labor Day. Maryland is the one closest to us, and look at what is happening, specifically in Ocean City, Maryland; and what is happening to their economy, specifically the last two weeks of August. There are some things to work out.

I'm an education advocate; you know, we want to make sure that we're doing the right thing. But it is something, really, to take a look at.

So, in summary, I have three strategies for you; that's what we're here to talk about -- strategies of how we use the Jersey Shore to promote New Jersey's tourism and increase our revenues.

So we want to take ownership of our brand; we want to increase our revenues; and we need to do that by increasing the amount of our occupancy tax that we are collecting, to promote and advertise New Jersey's tourism, specifically, the Jersey Shore.

We want to dedicate the Airbnb occupancy tax to marketing New Jersey's tourism; and we want to take a look at when we're starting school and see if we can't expand our tourism season.

And what I didn't have in my written comments that I've shared with you today -- but Senator Beach, you mentioned it earlier -- and that's wayfinding. And I will tell you that as we have talked with Destination Marketing experts and Main Street marketing experts, they tell us all the time that wayfinding signage is critical to the experience of the visitor. And I would suggest to you that, perhaps, we can work with the Department of Transportation and look at some grant opportunities for communities to establish wayfinding signage. That is a program that we have looked at in Cape May County, to establish wayfinding signage throughout the County, for each municipality, and have a consistent theme that fits with our brand.

It is extremely expensive; there has to be a buy-in by the local business, as well as the local community, and each destination within your county and throughout the state. But I think that through specified grant opportunities, it certainly is an opportunity.

Thank you very much.

SENATOR VAN DREW: Thank you, Vicki; and thank you for all the advocacy for so many years that you've done for tourism in our entire region.

One real quick comment. So many of these taxes were put in just -- and I know that you do know -- they should be used for tourism; they should be used for that purpose. But it was always known, unfortunately, that they were going to be used just to fill voids in the General Fund, which is something we have to get away from. And we've been talking about this for a long time--

MS. CLARK: Yes.

SENATOR VAN DREW: --and I'm hopeful that, someday, the right thing happens.

I want to thank the Chairman. I have a couple of things going on; and I have some other commitments, like, about 10 minutes ago. So I do have to leave. But I enjoyed being a guest on this Committee; this is not a Committee I normally sit on. And it was actually very interesting and a lot of fun for me. And I know there are a few more people to speak as well.

So Chairman, I'm handing it back to you.

SENATOR BEACH: Thank you, Senator.

And before we proceed, Senator Thompson.

SENATOR THOMPSON: You're the second speaker who brought up the problem that arises as a consequence of school starting before Labor Day, and so on -- that you have workers, and so on, that you lose; advocating that they should start later.

Of course, the problem that you encounter there is that, by State law, there are a certain number of school days that must be there.

MS. CLARK: Yes, sir.

SENATOR THOMPSON: So if you opened later, then that means, on the front end when you need the same students, they still have to be in school. You'd have to change the date at which school closes; so you lose them on the front end, versus the back end.

MS. CLARK: So as it currently is-- I mean, you know, we always look at Memorial Day weekend as really the kick-off to the summer season. But, you know, we know that schools are not getting out until mid-June. And also, when we look at our weather, our weather is, you know, cooler in May; it's not as predictable to be those warm sunny days in May,

as it is in August. You know, we really-- The weather is never a guaranteed; we know that. But we really can predict that we're going to have more summer weather, more beach and Boardwalk weather, in August rather than--

SENATOR THOMPSON: So you'd be willing to sacrifice days in the spring, early summer, for more days in the fall? That's what you're saying?

MS. CLARK: Yes; that is correct.

SENATOR THOMPSON: Even though -- because there would have to be some give there, if they moved the days back for opening further, then they'd have to move the dates for closing as well.

MS. CLARK: Right, right. Because-- And as it is right now, schools have to be out by June 30; that's another part of State law, because their contracts start July 1. So that's already a given at this point, is my understanding. So, you know, delaying start until after Labor Day is-- And then, obviously, there would have to be work within the countless school calendar year, with other days off that they have, holidays that are taken, breaks that are built in. But I think that it is something to take a look at, when you're talking about -- the second-largest industry in the State of New Jersey is the tourism industry, that employs over 500,000 people in the state; that is primarily small businesses. It is -- I think that it should be respected as an industry, to take a look at how can we help build it because there are opportunity.

One of the things that Senator Van Drew said in his opening comments is that tourism is a revenue-generator. It is not an expense to the

State; and every dollar that we invest in the tourism industry has a multiplier effect of more money that it adds to the State's economy.

And for those reasons--

SENATOR THOMPSON: I just wanted to get your input on how it impacts, through the fact that the other end would be--

MS. CLARK: Right. And I only added that, sir, just because I think that for those reasons it offers an opportunity to take a look at that strategy alone.

SENATOR THOMPSON: Thank you.

MS. CLARK: Thank you.

SENATOR BEACH: No other questions? (no response)

Thank you so much for your testimony.

MS. CLARK: Thank you.

SENATOR BEACH: And our next speaker is our muffin provider, who also doubles as our Freeholder Chairman, Frank Formica.

And as Mr.-- Do we call you Freeholder Director, or Chairman?

FREEHOLDER CHAIRMAN FRANK D. FORMICA:

Chairman; Board of the Chosen Five Chairman. (laughter)

SENATOR BEACH: Well, thanks so much; and we appreciate your comments.

CHAIRMAN FORMICA: Well, thank you.

I know we're going long, so I'll be brief.

But I can't say enough about Senator Brown's efforts in opposing North Jersey casinos. He is a decorated veteran, combat veteran; and he put all his skills to work in trying to really get the result that we

wanted. But the people have spoken; and we can't reiterate enough how important it is to keep the watch for any legislation that would change that.

Atlantic City is a very unique area when it comes to tourism. My family business is 99 years here; we employ about a hundred employees, and we have -- our lifeblood is tourism since 1919.

A lot of things have changed. The PILOT Act took all of the IAT money out of the CRDA; and the CRDA was a very good partner with tourism dollars, especially for the past three years before that. And I just think that we need to take a look at the fact that our tourism dollars are thin here. The revenue generators and tax for Atlantic City have always been our Convention Center, which is controlled by the State now; our luxury tax, which is collected by the State; and the casinos, as of Fiscal Year 2018, have paid over \$220 million in taxes to the State.

So the ROI to our area has certainly dwindled because of things that have occurred.

As a small business person, and as other business people who have been here today have echoed, there is really a need for the State, I think, to partner up with marketing our area. And our area is South Jersey; it is Atlantic County, Cape May County, and a lot of the things that are happening.

We talked about signage -- not seeing signs. I know when the Director was here, for Tourism and Marketing, you said, you know, we have a lack of signage. You know, on the Parkway, there's only one exit that says "Atlantic City;" there are three for Galloway Township. I mean, we could do a better job in this state marketing this as tourism area.

And so I guess what I'm asking for is what my favorite subject is to talk about -- is how do we get more money to market our area from the money we're giving the State? And that's the legislative challenge. Because you can talk about all the ideas, which are great; but if you can't get the money coming back to this area, and have local input on it-- We know what the market is here, you know? And I think that's important.

The only other thing I wanted to talk about was that when we look at tourism and how to increase it, how to improve it, infrastructure is important. Certainly we have those issues we're dealing with, with flooding and flood remediation, and all of that. But also, clean and safe is important. As legislation comes up to collect more taxes, I hope that there's a component that goes toward public safety, because that is an issue that is -- I should say an *ingredient* -- that is imperative in attracting people to our area.

And I just want to touch briefly on the importance of the legislation that Senator Brown is pushing forward -- with, I guess, his team of Senators -- to get our airport incentive expansion around the Atlantic City International Airport. Although it's a statewide initiative, we have the only facility with an FAA onsite facility. So we have -- I have an email that I was going to read, but I will not, from Emory-Riddle -- the foremost aeronautical university in the United States, out of Florida, is waiting to come here now. They visited; they're ready to go. But this legislation has to be put in place.

So that's all I have to say.

Thank you.

SENATOR BEACH: Thank you.

Anything--

SENATOR BROWN: Two seconds.

SENATOR BEACH: Okay; shoot.

SENATOR BROWN: I just think it's important that the Committee knows, and that everyone here knows, when we talk about teamwork and people working together in unison to make things happen, Frank Formica is also the Chairman of the Freeholder Board. And the State's broke; so when it came time to bond or try to find money to build this beautiful facility that they're in, they looked to the County. And when they looked to the County, what set the County apart was the fact that they have as high of a bond rating as you can have, as minimal of debt as you could have, and the highest rating for being efficiently run government as you could have. And of course, as a Freeholder Chairman, Frank Formica is greatly responsible for that.

So they stepped forward -- Frank Formica; our County Executive, Denny Levinson, stepped forward. And through the help of the County and their bonding ability, we're sitting here today.

So I really do think that our Freeholder Chairman, Frank Formica, deserves that recognition as having the vision and the leadership; as well as, of course, our County Executive, Denny Levinson.

So I just wanted to publically thank him in front of everybody.

CHAIRMAN FORMICA: Thank you, Chris.

I am running this year, but I wasn't going to make a political speech. But thank you very much. (laughter)

SENATOR BEACH: Thank you.

Our next speaker is Gretchen Whitman, New Jersey Audubon Society.

Are you Drew?

DREW ALAN TOMPKINS: Yes.

GRETCHEN WHITMAN: Yes; both of us.

SENATOR BEACH: All right; so you have a sidekick.

MS. WHITMAN: Actually, I'm going to let Drew start.

SENATOR BEACH: Oh, so you're the sidekick. (laughter)

MS. WHITMAN: Yes.

MR. TOMPKINS: Thank you so much, Chairman Beach, and members of the Committee, for inviting us to speak here today on a specific aspect of tourism, which is ecotourism in our state.

My name is Drew Tompkins; I'm the Policy Manager with New Jersey Audubon; and this is Gretchen Whitman, who directs our Cape May Nature Center.

I'm going to give a brief overview of our organization, and economic tourism, and outdoor recreation, specifically, and how it impacts the State; and then turn it over to Gretchen to speak specifically about our programs that we run, and then provide some recommendations on how to increase ecotourism in our state.

So New Jersey Audubon-- And we really appreciate the opportunity to be here today. We are one of the oldest independent Audubon societies in the country, founded in 1897. And our mission is to foster environmental awareness, a conservation ethic, and protect New Jersey's birds, mammals, and other animals; as well as promote the preservation of New Jersey's valuable natural habitat.

We have six nature centers throughout our state, including two in Cape May County; as well as five additional wildlife sanctuaries. At all of these properties we offer various environmental education and ecotourism activities throughout the year. And most of these events are family-friendly and offered for little or no cost to people who are visiting, as well as residents.

As background, outdoor recreation and ecotourism is a significant economic driver in our state. A report by the Outdoor Industry Association noted that, in New Jersey, an estimated 2.4 million anglers, hunters, and wildlife watchers spend, roughly, \$2.3 billion on wildlife-related recreation each year. And New Jersey's outdoor recreation economy generates 143,000 jobs and \$18.9 billion in consumer spending, as well as \$5.9 billion directly in wages and salaries.

According to the study, outdoor recreation sustains three times as many jobs in New Jersey as our friends in the chemical industry.

And at New Jersey Audubon, we do like to highlight birdwatching specifically, especially down here in South Jersey and near Cape May, as an important component of this industry. We're a world-renown birding destination, especially down the Delaware Bay, for spring and fall migration. And the DEP did a study, in 2000, to estimate the impact of birding, specifically, in New Jersey, and found that the spring migration brought in roughly \$17 million to the State; and overall, the birding industry in the state generates \$34 million.

So with those numbers and our background in mind, I want to turn it over to Gretchen, who can tell you about her specific programs.

MS. WHITMAN: Again, I'm Gretchen Whitman, and I have served as the Center Director of New Jersey Audubon's Nature Center of Cape May for over 20 years.

My environmental education facility sits on the southern shoreline of Cape May Harbor, which is rich in marine life and a variety of natural habitats, including marsh, sandy beach, mudflats, upland meadow, as well as forests and display gardens.

Our mission focuses on providing environmental education experiences, encouraging stewardship of the harbor and other natural areas, as well as providing volunteerism as a rewarding means of community involvement and service.

We draw visitors from all over the Mid-Atlantic region and beyond. As an example, our summer camp, alone, hosts children from over 22 different states and 4 countries.

Although the months of June, July, and August are certainly our busiest due to our direct link to the Cape May summer tourism market, our doors do not close after Labor Day, and they certainly are open before Memorial Day as well.

For those of us in the nature- and birding-related industry, you cannot escape what we call the *migration seasons* -- the *shoulder seasons* other people call it. Our sister center, located just a few miles from us, is the Cape May Bird Observatory. While we take the lead in providing meaningful connections to nature for families and children, primarily in those summer months, the Bird Observatory really champions the experiences during the spring and fall, when hundreds of thousands of birds

migrate through the Cape May peninsula. People from all over the world come to flock to Cape May for this experience.

I just have to stop for a minute and say that I was writing this on Saturday when I had to work and cover at the Nature Center. And I kept trying to write this, but I kept on being interrupted because we got so busy. And the reason we were so busy -- it was a rainy, dreary day in Cape May, and there were still people around, wanting to experience that other month of summer, September. And what happens when it rains -- it's not a beach day -- people are looking for alternatives. And as long as it's not severe weather -- thunder and lightning, we can't be outside -- we can still do our programs.

I've spoken to other business people in town who have complained a little bit about this year, this spring. But honestly, it was a really good year for us, because they were looking for those alternative programs.

I just want to share with you one example of this. This past summer I had to fill in for one of my educators on one of our popular nighttime beach walks. It's called *Nighttime on the Beach: Searching for Ghost Crabs*, and it's just \$5 a person.

A father came up to me after the program had ended and said this was the third year in a row that they had done this program with us. He had given his kids the choice: They could either go to the Boardwalk or go on a nature walk. The family unanimously voted for the nature walk.

He told me that this was the best \$20 he spent during the entire vacation. He thanked me for teaching his children to care about the environment; and that running around in the dark, at night, on the beach,

with a flashlight in hand and scooping up ghost crabs, was probably one of the most entertaining experiences they had on their vacation.

We strongly believe, at New Jersey Audubon, that the power of these types of environmental education programs make a difference. They serve to benefit by giving tourists a unique opportunity to experience nature while on vacation, while also creating a conservation ethic for both the children and their parents. This ethic translates into a populous that works to support and protect our environment and wildlife.

Per the International Ecotourism Society, “*Ecotourism* is defined as responsible travel to natural areas that conserves the environment, sustains the well-being of the local people, and involves interpretation and education.”

New Jersey Audubon is proud of the work we do in this space, and offers some recommendations, based on our experience, on how to expand tourism in the state.

And I’ll give you another little example; and we have two for you today.

Encouraging partnerships and packaging: New Jersey Audubon sees great success in working with other small businesses and nonprofits. For example, at my Nature Center, we sublet space to a kayak and stand-up paddle board eco-tour business. It’s a win-win for us, because of the revenue we take in for the rental to this business. And it increases foot traffic to the Nature Center, while the company that rents from us is able to get that space and operate at a much lower cost than if they were to rent somewhere else.

We have also worked to build partnerships with other eco-friendly outfits, such as whale watching and Back Bay pontoon tour boats, by offering our naturalists to work on board and to do touch-tank talks. Additionally, we have partnered with hotels and campgrounds to bring programs poolside.

But there's so much more we can do; and any way the State could encourage and facilitate these relationships could help create an increased number of dynamic ecotourism opportunities for businesses.

And I know Drew has another idea.

MR. TOMPKINS: And the second recommendation we bring today is to increase advertising and promotions, specifically on ecotourism. It was great to hear many other groups come up today; and specifically, the man who was talking about *VisitNJ.org*. I was actually just on the website this morning; the website looks really great, but what's missing there is a part on ecotourism. There is an *Outdoor and Recreation* section; but once you are already at the beach, once you are already visiting and trying to look for something else to do, you would probably go to the *Beaches* tab, which there is nothing about ecotourism on the Beaches tab of the website, or in the main blurb on the front of the website.

So finding ways to increase just marketing -- without really spending any more money, but just through redesigning, including this one we're talking about -- the great things our state offers, especially along the coast. There's a ton of opportunities for ecotourism that aren't just going to the beach.

And then the second is, having a really accessible, easy way to show things to do that are on the not-great beach days, when people are

already here; ways they can get out, whether it is in the ecotourism or other opportunities that may be in our Shore towns. I had a really hard time finding anything that fits that need -- to tell you where you can go on those days that aren't so perfect and you don't want to be outside.

So they would be the recommendations we have.

We thank you guys for listening, and for your clear passion about this issue.

So any questions, we'd be happy to answer and follow up on those recommendations as well.

SENATOR BEACH: Any questions? (no response)

Thank you so much for your testimony.

MS. WHITMAN: Thank you.

MR. TOMPKINS: Thanks.

SENATOR BEACH: Next, Tom Cosentino, Garden State Wine Growers.

I was thinking of starting a group, Garden State Wine Drinkers. Do you think that-- (laughter)

T O M C O S E N T I N O: We could be the first members.

SENATOR BEACH: --we could be members?

Okay.

MR. COSENTINO: Thank you, Senator, and members of the Committee.

It's a pleasure to be here.

I'll be very, very brief.

I'm here, basically, to talk about why-- For a number of years now, we've been saying that beverage tourism is a driver of agritourism.

And we did an economic impact study that we released in January. We have a \$323 million impact on the State of New Jersey; our industry. Over 100,000 people visited our wineries and tasting rooms last year, and we think that number is low. It's hard to really calculate; there are no turnstiles going into our vineyards.

But the Shore region sits in the midst of two of our AVAs. And our AVAs are such-- The Federal government designates grape-growing regions in the United States as American Viticultural Areas. There are over 300 of them in the United States; we now have four. Cape May Peninsula became our fourth AVA in May; we sit, right now, in the Outer Coastal Plain, which is 2.2 million acres, which runs from Monmouth County all the way down to Atlantic County.

And in that region-- We have 50 wineries in the state; almost half of our wineries are in the Shore communities, or within an easy driving distance of the Shore communities. We are natural partners; and why I wanted to be here at a public hearing is to have the other entities in this region know that we're willing to partner with them and bring events, or create events, here in the Shore communities.

I know Cape May, alone, in that area -- our wineries being there in Cape May have helped a lot with the off-season tourism of Cape May, to make it a year-round destination.

We talk about funding -- most of our funding comes from State grants. And I kind of think one of the things that does come up, when you talk about tourism -- which is kind of silly -- we apply, every year, for Tourism Cooperative Marketing grant. And each year I'm trying to get \$20,000 to \$25,000 for one program, something that I want to dedicate it

to. And then I get an agency that Tourism hires to sell ads for the book, the guidebook, that they put out, that's in all the rest stops everywhere. And the last couple of years I've taken a full-page ad in that book, and that's \$7,000 that we're paying, that's coming out of another grant to be in that book, because we know we have to be in that book. But by the same token, I'm trying to get \$20,000, \$25,000 out of Tourism, and I have to give back \$7,000 just to be in their Tourism book.

So funding is a major issue, especially when we compare ourselves to other states, like Virginia and New York. I happen to have had to go up to Syracuse recently for a funeral. And the New York State Thruway-- You go into a Thruway stop, you have a whole showcase of New York-area products, from apples, to the wines, to distilleries. Everything is on sale there, and it's showcased. Even the food you buy is made from New York products. We can do that here in New Jersey.

But from a wine perspective, one of the things that we think is going to be helpful in this region, that we can bring to the table -- especially in Atlantic City -- is, we were awarded by-- The U.S.D.A. gives Specialty Crop grants each year. And we've received a \$40,000 grant -- that will start in January and run for two years -- to cultivate the fine wine drinker and introduce them to New Jersey wines. Because even though we're consistently in the top two to three states in the nation for wine consumption, we only account for 1 percent of that market, as far as our industry -- the New Jersey wineries are concerned. Because while a large part of the population has discovered our wineries, the fine wine drinkers have ignored us for years because, for years, they looked at us as fruit wine and so on. And now that we've expanded and our winemakers are winning

awards around the country in competitions, and we're being recognized by national outlets like *Wine Enthusiast*, we feel that we're now in a position to grab some of that market share. And a lot of that market share is right here; you know, they're going to casinos. And we're looking to use that grant to actually try to partner up and create some tasting events with chefs, and do things in the Shore area to heighten that facet of the grant.

You know, we're members of the South Jersey Chamber; we're members, here, in the Greater Atlantic City Chamber. I'm actually leaving this meeting to go to the Convention Center; they're interested in trying to develop a program of us, at the Convention Center, with New Jersey wines.

But one of the things that I always tell people. I give a talk on the history of New Jersey wine. We've been making wines since Colonial days; but a large factor and a large part of the birth of the wine industry came right here in Egg Harbor Township and Renault Winery. And Renault Winery went bankrupt a couple of years ago; a bank has owned it. From what I understand, right now, it's very close to-- The buyer is in position, and it's very close to being purchased. And the winery has stayed open, but we're looking at the rebirth of Renault as another way that we can help market this region and work in this region.

So, really, my appearance here today was really to go on record that the Shore is an important asset for our wineries.

A few years ago, I applied for a grant with CRDA, specifically to develop a marketing program to get our visitors to tasting rooms down to Atlantic City. It didn't make it through; we didn't get the grant, but the whole idea was -- we have those 100,000 visitors to our tasting rooms; people are here looking for things to do, as well. And we're in such close

proximity between the wineries in Cape May and Atlantic County that there's no reason why we can't grow them.

Thank you.

SENATOR BROWN: Thank you.

SENATOR BEACH: Thanks, Tom.

Tom, before you go, any questions anyone has? (no response)

And you mentioned Renault. I believe this is an accurate statement -- that Renault is the longest-running winery in the country.

MR. COSENTINO: Second-longest.

SENATOR BEACH: Second-longest.

MR. COSENTINO: Second-longest. There is one in upstate New York, in Washingtonville.

SENATOR BEACH: Yes.

MR. COSENTINO: It's the Brotherhood Winery.

SENATOR BEACH: That's great.

Thank you, Tom; thanks for your testimony.

Leo.

And Leo, I apologize for having you here so long.

LEO B. SCHOFFER, Esq.: That's okay.

SENATOR BEACH: And before you begin, I just wanted to thank Senator Thompson, who has to leave for a 9/11 ceremony. Because as I said earlier, this is the third meeting in a series of meetings where we've gone out. And Senator Thompson has been a trooper, he's been there to the end of each meeting; except for this one, Senator. That's okay. (laughter)

Leo, I'm sorry; go ahead.

MR. SCHOFFER: That's okay.

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

I'd like to thank Senator Brown for inviting me here this morning to provide some thoughts and insights I may have on the subject.

I know you've been sitting here a long time, and I'm going to abbreviate my comments so as not to be redundant with what's been said before.

Permit me a moment of background. I have been a real estate developer, specializing in industrial real estate, for over 40 years. But the most important thing that I can tell you about myself is that I am the son of immigrants; a people who came to South Jersey to look for work and look for opportunity. They came here because they were told that people in South Jersey were friendly and welcoming; they were told that chickens understood all languages; and at the time, a dozen eggs was selling for 55 cents a dozen. So that was a good reason to come here.

And I say that because I want you to understand my perspective and where I'm coming from in my involvement here.

Three years ago, County Executive Levinson and the Board of Freeholders asked me to Chair a task force charged with obtaining a top-flight economic development strategy for the County. It took us about a year to complete this task, and today this report serves as a 100-page roadmap and mission statement for our community's economic development future.

The first recommendation of the report was the creation of a private-public development corporation. This was done in the name of the

Atlantic County Economic Alliance; and I am pleased to report to you, today, that this organization has hit the ground running and now, for the first time, we have a privately -- and I stress the word *privately* -- directed nonprofit economic development corporation, professionally staffed and adequately funded, which is exclusively dedicated to attracting, retaining, and growing businesses in Atlantic County.

This action plan obviously recommended continued support and growth of our tourism and hospitality industry. But it also noted that the high reliance on a single industry was a key reason that Atlantic County lags behind the State's average, as you know, in median income by about -- \$56,000 as compared to the statewide mean of \$74,000.

The action plan stated that in addition to tourism, aviation offered the most immediate and rewarding opportunities. One of the reasons I share this sentiment is because aviation and research and development is the number one balance of trade commodity in the U.S. economy.

Our first priority was to establish an Aviation District that comprised a one-mile ring around the FAA Hughes Tech Center, the Atlantic County International Airport, and the National Aviation Research and Technology Park, formerly the Stockton Park. The Alliance is working closely with South Jersey Transportation Authority to develop air cargo operations at the airport, as well as air traffic maintenance and repair operations.

The airport, which is State operated and underutilized, is ideally suited for these purposes. To ensure an adequate supply of trained aircraft mechanics -- which are in short supply nationwide -- we are working

to develop an Aviation Maintenance Training Academy at the Atlantic City Airport.

The Alliance stepped up development of the National Aviation Research and Technology Park with assistance from County government. The first building is near completion, and negotiations are well underway with several tenants. Speed connections to the FAA Data System are available, and an agreement is expected with a long-term goal of having the New Jersey Institute of Technology manage and direct research operations at the Park.

One thing that is obviously critical to the success of these efforts is to have a competitive incentive program to offer businesses locating in our Aviation District.

The Aviation District Bill, that was conditionally vetoed by Governor Murphy -- while we did not get all we had hoped for, the Governor's statement clearly validated our strategy to diversify our economy by focusing initially on the aviation industry cluster. If and when the Legislature approves the conditional veto, we need the State to partner with us, through Choose New Jersey and the New Jersey EDA, to market the Aviation District, both domestically and internationally. The key is not just to pass this Bill, but the key is to extend it beyond its current sunset date of July 2019, to make sure that it will have a lasting impact as we had discussed.

I consider a tourist as anyone who comes to town for purposes other than to maintain a primary residence or to go to work. So when I go to dinner across the street at the Knife and Fork Inn, I consider myself a *tourist*. My favorite type of tourist is the one who maintains a secondary

residence, especially if they choose to buy, although we, of course, love renters. This is an obvious goal for Atlantic City. In the Southeast Inlet, the City possesses one of New Jersey's most scenic and developable areas. In addition, the properties are relatively affordable and can be developed without the need to displace current residents because, for the most part, the land is vacant.

Real estate development is all about timing; and we are out of time when the opening in the window is being held there by millions of baby boomers, like me, seeking to downsize and to find a second home, and the thought of splitting their time between a summer and winter home. What better opportunity is there than to stretch the season by attracting secondary homeowners who can take advantage of the beautiful shoulder seasons we have here of May, September, and October?

Atlantic City's population is estimated at 38,500 residents. That figure is only about 58 percent of the City's population of 66,000 in 1930. Much of that higher population was in the Southeast Inlet.

As you know, secondary homeowners pay taxes, demand less services, and patronize the local economy.

So with all due respect, I suggest that perhaps this hasn't been done in the past because the vision and the intent of prior developers was wrong, and the method of implementation was flawed.

Quite often, when we talk about Atlantic City, we become a bit too nostalgic and talk about the successes of the past. The past may not specifically apply to what needs to be done, but it offers some perspective as to what can be done.

In 1953, there was not a single motel in Atlantic City because it was a prohibited use. Now, I mentioned Atlantic City as a place of opportunity. Well, from the time the motel was legalized in the City, in 1953, until 1970, well over 100 motels were built in the City, the vast majority by small entrepreneurs and family businesses. In my opinion, the development of the Southeast Inlet has been stalled because the developers have looked at it as a place to build only South Florida-type high rises. And I suggest that now we must create an opportunity, and that is not the way to do it.

What is needed is numerous, smaller projects that are not fostered by big incentive programs, other than local property tax relief. Low-rise and mid-rise residential development can create neighborhoods that will be attractive to the secondary home market with less risk and uncertainty. However, before they can be developed, the area needs to be cleaned up, devoid of abandoned buildings, and made safe for the secondary resident. In addition, we need appreciation, momentum, and critical mass to make the Southeast Inlet desirable for secondary homeowners.

Let me put on my hat as the incoming Chairman of the Stockton Board of Trustees. It's special for me to sit on the spot of my old high school alma mater, and be part of the creation of a college town in Atlantic City. The first two buildings we have are beautiful and impressive. But make no mistake; one academic building and one 533 residence hall does not create a college town. Stockton will need more of both, together with sport facilities, to turn this Chelsea neighborhood into what we hope will be a Stockton Town.

The great news is that the City has unconditionally accepted Stockton; and this neighborhood has the character and infrastructure to become a college town. And again, like in the old days, there is opportunity for the private sector to come in, develop the area around the college, and grow in concert with the University.

If government continues to support Stockton -- as it has done with these first two buildings -- there can be a true blend of public and private investment in this college town.

This begs the question of where will these students come from. Currently, over 75 percent of Stockton students come from south of Trenton. Moreover, Stockton is the only four-year institution located within the four southeastern counties that comprise almost 23 percent of the state's land area.

While I'm sure you know -- and President Kesselman has repeatedly stated -- at any given time, there are over 100,000 New Jersey residents attending colleges out of state; and spending millions of dollars for tuition, housing, and daily life services. If Stockton can provide New Jersey high school graduates with a newer and different option within our state, the goal of attracting 3 or 4 percent of these migrating out-of-state students to an Atlantic City campus is realistic and will result in the great college town we talk about. This will, of course, have the effect of bringing more people into town who want to live and work here.

We talked about transportation -- and I'm going to shorten my comments here -- but let me just say that Atlantic City was the creation of the railroad industry. Twenty-five years after the first train steamed out of Camden in 1854 for Atlantic City, there were 600 hotels in town. It's well-

documented that by 1891 you could travel from Philadelphia to Atlantic City in 73 minutes, and that included the ferry ride over the Delaware River. Just a few weeks ago, the last train took this trip, before the line was shut down for upgrades. It took that train 94 minutes to make that same trip.

And yes, there's still no high-speed mass transportation between Atlantic City and New York City.

Obviously, it improves tourism and it will have a major impact on the development of secondary housing. And if Stockton is going to be attractive to students, who now leave the state for college, improved transportation will be a great selling point.

So let me conclude by saying this. My friends ask me, why do we always spend so much time talking about Atlantic City, worrying about Atlantic City, trying to resolve Atlantic City's problems? And I say that we spend this energy wisely, because Atlantic City is not just the economic engine and the shining star for South Jersey; but it provides the same role for the entire State of New Jersey.

Thank you for your time.

SENATOR BEACH: Thanks, Leo.

SENATOR BROWN: Thank you, Leo.

SENATOR BEACH: Senator Brown.

SENATOR BROWN: Thank you.

SENATOR BEACH: Okay.

Next, Sandi Harvey, Meet AC.

SENATOR BROWN: Thank you for your patience, Sandi.

SANDI HARVEY: Oh, my pleasure. And it is absolute a pleasure to be here.

Thank you, Chairman and Senators.

Jim Wood apologizes that he could not be here today; so he sent me to pitch hit, and I am happy to do so.

Meet AC is a total meeting resource for conventions and meetings. And while conventioners are not necessarily considered *tourists*, they are. We are delighted to tell you about some of our efforts that we are in charge of, as far as marketing. Our website has been enhanced to include an RFP process for meeting planners and directors of trade shows, so as to simplify the process for them to consider bringing their next meeting, trade show, and convention to Atlantic City.

Additional website enhancements include a virtual reality experience, called *You Visit*. So some of our meeting planners can't necessarily take time off from their busy days to come down and do a physical site visit of what Atlantic City has to offer. So this virtual reality will allow them to feel, touch, and smell Atlantic City from the convenience of their desk.

It features the Convention Center, the Sheraton, the Tanger Outlets, the beach, Boardwalk, and even a surfing experience. So we are very proud of that initiative.

We also target lead generation enhancements to our website as well. And the film tax credits that we have been able to launch on our website have grown legs, and we are starting to see absolute enhancement as far as people looking at movies and other film credits to bring to Atlantic City.

Meet AC is your total meeting resource for meetings and conventions for the entire destination. And we are, of course, charged with selling and booking our Convention Center. From this date forward, until the end of the year, we are anticipating at least 75,000 convention attendees coming through the doors of our Convention Center. And even without the rail, Meet AC has put in place some additional resources to bring in buses, charter buses, to make sure that those conventioners are not impacted from that rail service interruption. But we are, of course, hopeful that they will resume transportation in 2019.

In addition, Meet AC has produced 313,451 room nights for the City of Atlantic City in 2017. That is an economic impact of over \$351 million. At this point in time, our team continues to focus on mid-week, off-season shoulder convention months to enhance the tourism times when it's not peak season. So the team has concentrated on Sunday through Thursday convention business; and we are on target to make our goal for 2018, and we may even surpass our supernatural goal.

With that -- my comments -- I'm happy to answer any questions.

SENATOR BEACH: Thank you very much.

Any questions?

Senator.

SENATOR BROWN: I just want to say thank you so much. And please keep up the good work.

MR. HARVEY: We promise to do so, sir. It's our pleasure.

Thank you.

SENATOR BEACH: Thank you for being here, Sandi.

Sorry for the long wait.

MS. HARVEY: Not a problem.

SENATOR BEACH: Joyce Hagen, Atlantic City Arts Foundation.

J O Y C E H A G E N: Thank you for the opportunity to make a few comments on behalf of the arts, and the importance of the arts, to Atlantic City.

Recently, in our newspaper, there was an opinion written by the staff of the *Press of Atlantic City*, speaking to a group -- brought together by Senator Brown -- an advisory panel speaking for the need for public and bipartisan support.

The panel is to develop legislative goals to help revitalize the local economy. Two of the bills that are being recommended from there -- one would enhance an Atlantic County Tourism Enhancement Fund; and I just wanted to speak to the value of the arts that would be relevant for tourism locally.

Before we had the Atlantic City Alliance come to town, a lot of studies had been done about Atlantic City that indicated the importance of the arts for the region. And when the Alliance came to town, there was a significant, multi-million dollar investment in the arts. Many of those projects that were funded at that time did not succeed and are actually removed from our landscape here, to a lot of folks' remorse. There's a lot of bad feelings about the arts in Atlantic City because of that.

But there are several of those projects that still succeed, and that includes the light show on the Boardwalk Hall façade and the Journey mural panels on West Hall. Those are, actually, the two that do succeed.

However, memories of some of the events that the Alliance produced, including the Chalk Art Festival, the Sand Sculpture Festival, the Wine Art Walk on the Boardwalk, and performances at Kennedy Plaza, are all still very close to some of the residents' hearts. And we have not been able to re-up any of those programs since the Alliance left; there's been no money to do that. I can assure you that, over the past three years, there have been grassroots initiatives that have succeeded in the arts. We've created, actually, over 30 murals in the City of Atlantic City over the past two years; and we are ready to start having mural tours based on the fact that we've been able to create those murals.

But I would ask both locally, Senator Brown, and both statewide, that you consider how important the arts are to tourism and to economic development. Artists are often the first folks who enter a region; and I know Senator Brown and I have talked about his article about arts as an economic tool previously. Artists are the first folks to move into a region and create businesses, and continue to need our support. But also from a tourism aspect, we all know the cultural tourists are the folks who spend the most money when they come to town, and that's what I think is most important to talk about for this event.

Thank you.

SENATOR BEACH: Thank you, Joyce.

SENATOR BROWN: Thank you, Joyce.

MS. HAGEN: You're welcome.

SENATOR BEACH: And last, but certainly not least, Donna Albano, from Stockton University.

DONNA ALBANO, Ed.D.: (off mike) I was going to say hi to all my colleagues who I work with, but they're all gone. (laughter)

So you're stuck with me.

SENATOR BEACH: Thanks, Donna; thanks for your patience also.

DR. ALBANO: No, my pleasure; thank you.

My name is Dr. Donna Albano; I am one of the full-time faculty members in the Hospitality and Tourism Management program at Stockton University.

And I teach here tonight, so I had the time to hang out and listen to all the commentary, which is incredibly important. We've had a Hospitality and Tourism Management Studies program at Stockton for over 15 years, and I've been there since the beginning. Prior to that, I was at Atlantic-Cape Community College, also teaching Hospitality and Tourism. I came down here after my undergraduate degree, in Hospitality and Tourism, to work in the Atlantic City casino industry. So my network has a long history.

I will make my comments brief as well, because most of what I wanted to talk about has been said.

But full disclosure -- in addition to being a faculty member at Stockton, I am the Vice Chair of Visit South Jersey, which is a Destination Marketing Organization, which covers four South Jersey counties. But unfortunately, not the one I work in, because there's limited funding for that particular DMO; and Joyce referred to what was *Do AC* and the Atlantic City Alliance. So that funding that we had, now apparently has

been allocated to the Southern Shore region, and is generally designed to promote the Shore, which has lumped in Atlantic County.

So I sit on the Visit South Jersey Board as a marketing -- as an advocate, as well, for hospitality and tourism.

So South Jersey has significant potential to develop the tourism system and tourism products. And we focus on this in the classroom, so I guess I really want to stress to you guys that I'm kind of boots on the ground with these students. I can talk about the tourism piece and I can talk about the travel piece, because this new generation -- iGen -- doesn't want to drive. They're delaying getting their drivers licenses; that whole transportation piece is real, because if we can get them here easier-- They just go to places where they can move around easier; and a lot of it is New York City and a lot of it is Philadelphia, quite frankly.

So as I sit and talk and talk to my students and ask, "What did you do last weekend?" You know, unfortunately, it's not always -- they don't always stay in the neighborhood, right? They get out of town, where it's easy to go and easy to move around without them driving.

So we focus on that in the classroom; but our students pursue employment, internship opportunities, service, learning opportunities, and research in our local hospitality and tourism industry here. So trends such as agritourism, craft beverage tourism, wine tourism, and other forms of local tourism-focused enterprise have emerged as one of the areas of interests to not only our students, but to the faculty as well.

So harnessing this trend and encapsulating it into innovative curriculum at Stockton will allow us to, indeed, promote both the main

campus and, obviously, where we're at now-- at this new campus in Atlantic City.

An area of focus of mine has been craft beverage tourism. I'm here shamelessly promoting a text book (indicates), a two-volume textbook that I recently had the opportunity to contribute to, on craft beverage tourism in the United States. I had the ability to work with a colleague on -- I just lost my place; I'm sorry -- so I had the ability to work on this volume with a colleague, and we did a chapter to make sure that we got New Jersey distilleries in the book on the United States. So we have our chapter called *New Jersey Craft Distilleries: Sense of Place and Sustainability*. But, in short, our research shows that what New Jersey beverage tourism does well is establish marketing and promoting a strong sense of place. And that's been the theme of what everybody talks about here today. This builds in areas brand equity that attracts visitors and creates demand for our local wine and craft beverage industries and products. So the trend also created new internship opportunities for our students, employment, entrepreneurial opportunities as well. All of our partners now engage in our career fairs; they come to our class lectures, they're speakers, they provide tours, and they're on our panels for educational information.

Our beverage products are winning awards in this state. We've expanded our footprint. If you know Sharrott Winery -- they have done a major expansion. They engage tourists and locals alike. We see more and more local products in restaurants and in bars; but there is a lot more room for that. I recently visited Drumthwacket, because they're interested in having our interns work at Drumthwacket. And we serve no New Jersey

products -- no beer, no wine, no spirits at all of our events in our own State government home.

So I just really-- That's the drum I'm beating. I think we have an opportunity. We'll continue to educate our students and our constituents on the value of tourism in the state; and we certainly just hope that our government and our local State government entities can support our initiatives as well.

SENATOR BEACH: Thank you, Donna.

DR. ALBANO: My pleasure.

SENATOR BEACH: Questions? (no response)

We appreciate it.

DR. ALBANO: My pleasure.

SENATOR BEACH: Any final comments? (no response)

Seeing none, motion to adjourn?

SENATOR BROWN: Motion to adjourn.

SENATOR BEACH: So moved.

Meeting adjourned.

(HEARING CONCLUDED)