



Statement of
Debra P. DiLorenzo, President & CEO, Chamber of Commerce Southern New Jersey
Before the Assembly Judiciary Committee – Public Hearing
Christina M. Renna, Vice President, Chamber of Commerce Southern New Jersey
Before the Senate Budget & Appropriations Committee – Public Hearing
On the Expansion of Gaming Outside of Atlantic City
Thursday, January 7, 2016

Good morning, Committee Members. We are here today to express our organization's strong opposition to the expansion of gaming outside of Atlantic City.

Last month, we testified before the Senate Budget & Appropriations Committee on the undeniable impact that the expansion of gaming to North Jersey would have on Atlantic City. Although the effect on Atlantic City cannot and should not be understated, today we would like to speak to the regional impact that the expansion of gaming outside of Atlantic City will undoubtedly have on Southern New Jersey.

As we speak, we would like to call your attention to the chart attached to my written testimony (*posted on the CCSNJ website for member's reference*). This chart highlights two critical things. First, the chart shows the timeline of events from 2006 – when the first casino (Sands Casino) closed its doors in Atlantic City – to today. Second, the chart shows some key statistics and indicators, such as revenue numbers and unemployment rates, among others, as evaluated from a *regional perspective*. All data on this chart was assessed by analyzing the *seven most southern counties of New Jersey* – not just the data as it relates to Atlantic City or the Atlantic County area – by using public data from the New Jersey Casino Control Commission Annual Reports.

When looking at the timeline of events, those items highlighted in red are casino openings/closings in Atlantic City. Those highlighted in yellow are changes in the gaming landscape, including casino openings in Delaware and Pennsylvania, including:

- The opening of Harrah's Chester (now Harrah's Philadelphia), which is 72 miles from Atlantic City;
- The opening of Parx Casino – 78 miles from AC;
- The opening of SugarHouse Casino – 62 miles away;
- And on the horizon, the planned opening of Live! Hotel & Casino in South Philly -- a mere 60 miles from AC near the sports stadiums.

It is worth pointing out that in 2007, the same year three casinos opened 72, 130 and 175 miles respectively from Atlantic City, Atlantic City casino revenue dipped nearly \$400 million from \$5.2 billion to \$4.8 billion. All three of the casinos built in 2007 are at least the same distance as the casinos called for in ACR-2 and SCR-185 – 72 miles from Atlantic City – and the impact was truly undeniable.

Next, I would ask you to look at the trends our chart shows. Specifically:

- The number of casino employees living in the seven most southern counties – down approximately 18,000 employees since 2006, from 41,943 to 23,734 today;
- The amount of money spent with businesses located in the seven most southern counties – down almost a billion dollars, from \$1.6 billion in 2006 to \$628 million in 2014;
- The overall unemployment rate for the region, which includes the three counties with the highest unemployment rate in the State – Cape May, Cumberland and Atlantic counties.

Additionally, as Senator Van Drew and Assemblyman Chris Brown have both so poignantly indicated, the economy of our region is drastically different than that of our North Jersey brethren. According to the NJ Department of Labor's May 2015 report on seven industry clusters – Leisure Hospitality and Retail; Bio-Pharmaceutical Life Sciences; Transportation, Logistics & Distribution; Financial Services; Manufacturing; Construction; and Technology – South Jersey employment lags well behind that of Northern New Jersey, which dominates these industry clusters.

After reviewing this data, it is indisputable that expanding gaming within New Jersey will only result in more of what our region has already lived through – more casino closures, more jobs lost, less vendor money being spent in the region and higher unemployment.

To move forward with this proposal absent a thorough analysis of the saturation of the gaming market in the entire mid-Atlantic region is risky at best, as market saturation will surely impact the long term viability of casinos in our state – be it in Atlantic City, Jersey City or the Meadowlands. Moving gamblers from Atlantic City to North Jersey benefits only North Jersey and at great expense to South Jersey.

Although the monies designated to Atlantic City and Atlantic County in this bill are well-intended, they will do absolutely nothing to combat the regional impact.

Thank you for allowing me to express our opposition to this critical issue to South Jersey.