

1 of all, are there any questions? You are the only  
2 thing standing between us and lunch.

3 With that, I want to thank you for your  
4 patience. We are running a little bit behind time,  
5 and so I'm going to shave a little off of our lunch  
6 and see if we can reconvene here at 3:15.

7 Thank you.

8 (Whereupon, the meeting was recessed at  
9 2:00 p.m., to reconvene at 3:15 p.m., this same day.)

10

11

12

13

14

15

16

17 A-F-T-E-R-N-O-O-N S-E-S-S-I-O-N

18 3:50 p.m.

19 CHAIRMAN JAMES: Welcome back, and I hope  
20 you are now in energized and ready to resume our panel  
21 discussions.

22 Our social impact testimony panel consists

1 of New Jersey State Senator William Gormley. Welcome.

2 SENATOR GORMLEY: Welcome.

3 CHAIRMAN JAMES: James Kennedy, Executive  
4 Director of the New Jersey Casino Reinvestment  
5 Development Authority. Terrence O'Connor, Assistant  
6 Commissioner for the Division of Addiction Services at  
7 the Department of Health and Senior Services, Captain  
8 Richard Andrews of the Atlantic City Police  
9 Department, and Stephen Simurda. Close?

10 MR. SIMURDA: Simurda.

11 CHAIRMAN JAMES: Simurda, Associate  
12 Director for the United States Gambling Research  
13 Institute.

14 Each presenter will have 15 minutes,  
15 including the time for questions, so you have the  
16 option, I mean, if you want to take up your whole 15  
17 minutes with presentation, but in order to get you all  
18 in I would really ask you to maybe try to talk for  
19 five to ten minutes, leave time for some questions.

20 SENATOR GORMLEY: Then we have the balance  
21 of the time to question you.

22 CHAIRMAN JAMES: No, no, no, see, that's

1 not how it works.

2 SENATOR GORMLEY: I'm sorry.

3 CHAIRMAN JAMES: And, the lights and the  
4 cue cards will assist you with this time, right over  
5 there.

6 Senator Gormley, thank you.

7 SENATOR GORMLEY: Okay, thank you very  
8 much, and, obviously, welcome, as I know you've been  
9 welcomed by many other people. There's been a  
10 tremendous outpouring of the community.

11 First of all, I get the opportunity to do  
12 a little follow up. A couple of individuals have  
13 asked me to follow up on prior testimony. First of  
14 all, for the record, there was a question as to the  
15 success of the new convention center, how many  
16 meetings its bringing in. And, today, nearly 300  
17 meetings, conventions and trade shows have been  
18 scheduled in the new convention center through the  
19 year 2007. This will bring an estimated 4 million  
20 additional visitors, using 2 million room nights, and  
21 they will spend in excess of \$887 million in the  
22 greater Atlantic City area.

1           Apparently, someone earlier today had  
2 called in to question whether the new convention  
3 center will make a difference in the economy or be  
4 helpful to competitive local restaurants. Well, it  
5 will be, it is a success and is working very well.

6           And then also for the record that I'll  
7 submit is a letter from the Department of Human  
8 Services of the state of New Jersey, in which it goes  
9 over approximately \$35 million which is made available  
10 through our casino fund, which you are now uniquely  
11 aware of. I'm going to try to avoid everything you've  
12 been told ten times, okay, but the Department of Human  
13 Services, Bill Waldman, the Commissioner, just wanted  
14 to be on record to cite how Human Services has had  
15 that financial assistance from the casino revenue fund  
16 for some of their programs, and I wanted to enter that  
17 in the record.

18           Now, what I'd like to do is, everybody has  
19 their story, so I will now give my pre-gambling story.  
20 It is 1975, I was in Okinawa, I was in the Marine  
21 Corps, and I received a phone call in March of 1975,  
22 don't come home. There is nothing going on. A friend

1 of the family called and said Atlantic City, which I  
2 was born and raised in, basically, there was not much  
3 of a future. The Marine Corps would be a far better  
4 career.

5           Now, I'm very proud of being a prior  
6 Marine, but I opted to come home, and I was fortunate  
7 to come home at a time when there was dynamic change  
8 coming to this region.

9           What I'd like to do, you've heard a lot,  
10 and I hope, I'm going to try to avoid being  
11 repetitive, I would like to outline for you how we  
12 have approached problems. Yes, there is money because  
13 of casino gaming, but what we have tried to do,  
14 Republicans, and Democrats, business leaders, members  
15 of labor, people involved in Social Service issues, is  
16 structure legislation over the years that does have a  
17 social impact.

18           It would be very simple in any state to  
19 pass a piece of legislation, designate where the  
20 casino revenues would go, and declare success. What  
21 we have sought to do in New Jersey, is as we passed  
22 this legislation with, as you well know from the

1 Attorney General, with a high level of integrity, of  
2 which we are very proud, we simultaneously set up  
3 funds for infrastructure that is tied to the creation  
4 of jobs, and tied to making sure that this program of  
5 casino gaming will make a long-term difference.

6           Some of the things that we have done, there  
7 is a charge on hotel rooms in Atlantic City, that went  
8 to pay for this building. When the Casino Revenue  
9 Bill was originally passed -- the casino law was  
10 originally passed, the intent was to bring back the  
11 convention industry into Atlantic City. That was the  
12 era when they had built the old convention center in  
13 the '20s and '30s that people like to fondly recall  
14 what was a great era for the city in terms of visitor  
15 traffic. So, one of the things we had to do was  
16 create a fund to build this facility. We were able to  
17 do that through a charge on rooms.

18           And then, there was a need to develop a  
19 gateway to the city, and we have a charge on parking  
20 to do that, and the reason that we did that, as you  
21 have with many urban areas, is that people will say,  
22 oh, boy, will you drive into town, and this isn't

1 unique to Atlantic City, Atlantic City's problems are  
2 not special to the city, they are symptomatic of  
3 predicaments or problems that occur in every major  
4 urban setting. Maybe our population isn't as large as  
5 New York, or Philadelphia, or Chicago, but the  
6 divisiveness that we face in the town from time to  
7 time, the social problems that we face in the town  
8 from time to time, a dysfunctional setting for  
9 families in an urban area is unfortunately the  
10 percentage of problems is higher, and that is not  
11 unique to Atlantic City.

12           So, we set these infrastructure funds up to  
13 build a convention center, rebuild the corridor into  
14 Atlantic City, and also a casino reinvestment fund,  
15 and Jim Kennedy is here and he will go over the number  
16 of housing projects that we have built as a result of  
17 that.

18           So, it would be easy to say we got a lot of  
19 money from gambling. But, there was a thoughtful  
20 process that came out of it, that we approached both  
21 job creation, long-term infrastructure and money to  
22 address certain social problems in the city.

1           It is easy for individuals to say, as they  
2 drive through the city, and thank you for going on the  
3 tour yesterday of the city, there is a building over  
4 there that's still a slum. You are right. We wish  
5 that building was torn down and a new home existed in  
6 that site, but if anybody gives an opportunity to  
7 Atlantic City on a per capita basis, they will see  
8 that, not just in terms of gaming programs, but in  
9 terms of redevelopment and money for birth of the  
10 social infrastructure, we have made a difference.

11           Admittedly, we haven't done everything, but  
12 at the same time if you compare this to any other  
13 experiment of its nature I think we've made a lot of  
14 progress.

15           So, we passed all these bills for all this  
16 money, but let's talk about some statistics that I  
17 think you might find heartening. Our Boy Scout ratio,  
18 and this is important, every town should have a Boy  
19 Scout ratio. As a matter of fact, we have Scott  
20 Ferguson here from the United Way, and I had to ask  
21 him three times this number and it came up to  
22 approximately 37,000 people, how do you have 1,000 Boy

1 Scouts? We didn't have any Boy Scout program in  
2 Atlantic City before casino gaming, and now as a  
3 result of the efforts of Scott, the United Way and its  
4 contributions to the Boy Scouts, we have interaction  
5 and many Boy Scout programs throughout the city.

6           This is demonstrative of what government  
7 can't do, but if government sets the plate with viable  
8 corporate partners who want to help, it shows that if  
9 you have a community that is concerned they can make  
10 a difference.

11           We have a United Way in this city that has  
12 worked with the Boy Scouts, taken advantage of these  
13 economic opportunities, and, therefore, there's a  
14 viable program.

15           We then have other programs that have been  
16 set up by our community college. John May, the  
17 President of the community college, is here today, and  
18 we have a site, an adjunct campus, if you will, a few  
19 blocks from where we are right now. Now, when you  
20 usually think of the traditional definition of  
21 college, you think of a degree, credits, but,  
22 unfortunately, especially in an urban setting, there

1 are certain people who don't have the life skills, or  
2 don't have the capability, unfortunately, even to  
3 begin to matriculate to receive college credits.

4           What we have on a yearly basis is 6,500  
5 individuals who take advantage of our local campus in  
6 Atlantic City to learn 13 -- go through 13 assorted  
7 programs, dealing from many of them are computer  
8 skills, so that they can go through these programs and  
9 they don't have to get credits because, quite frankly,  
10 they are not ready to engage in regular college  
11 courses, but we reach out for these individuals, the  
12 community college does it, they work in partnership  
13 with Atlantic County and the Job Partner Trainingship  
14 Act, which comes down from the federal level.

15           Grants are given and those individuals are  
16 provided the training. Well, why this is important,  
17 because I hear all so often about lofty ideas from  
18 Washington about what we are going to do to put people  
19 back to work. These are programs designed, coming  
20 from the local level, that would never have happened  
21 without casino gaming, designed to put people to work.  
22 That addresses a real social need.

1           And then, we have a program called the Job  
2 Readiness Program. I think we've all seen in urban  
3 settings from time to time, you can have all the jobs  
4 in the world, but there are certain life skills that  
5 individuals have that might seem very simple to us,  
6 such as showing up for work, that, quite frankly, they  
7 don't have, and it's not their fault in many cases.  
8 They might have come from dysfunctional settings and  
9 not had that opportunity.

10           And, we have now set up what we call the  
11 Job Readiness Program. It's almost a boot camp put on  
12 by the local community college, so that in a very  
13 intense ten-day program we focus on individuals to try  
14 to give them the skills so that they will be able to  
15 hold down that job. So, we can cite job numbers, but  
16 we've gone further.

17           And then, there's the story of Resorts  
18 International. I never heard of this before, and  
19 maybe some other corporations have done it but I don't  
20 know, they sent their employees door to door in their  
21 ward, knocking on doors, looking for people who needed  
22 jobs.

1           Now, maybe that happens somewhere else in  
2 the country, but I don't know. They knocked on doors  
3 and said, do you work, would you like an opportunity  
4 to work, and then they set up an intensive one-to-one  
5 monitoring program with those individuals to encourage  
6 them to work.

7           These are some, whether it be United Way,  
8 whether it be Atlantic County, whether it be our  
9 community college, these opportunities would not have  
10 existed without casino gaming. It did happen, and the  
11 corporate character of those casinos merged with  
12 government are trying to take that extra step to go  
13 beyond the 32nd sound bytes and the simplistic  
14 comments that you hear about welfare reform from  
15 either side of the political aisle, and that's what  
16 it's meant to Atlantic City, and that has made a real  
17 difference.

18           And, I've noticed when I've looked at some  
19 of the resumes, the real interest that I see in  
20 families, and I think we all have that great concern,  
21 and we are very proud in Atlantic County that we have  
22 received a state grant that has been targeted to

1 Atlantic City and it's called the Children and Family  
2 Initiative, and we know all those indices, and we've  
3 talked about the problems in an urban setting, whether  
4 it be teenage pregnancy, whether it be juvenile  
5 delinquency, and we have targeted with two family  
6 centers in our schools in Atlantic City to work with  
7 those people in an urban setting to try to, on a one-  
8 to-one basis, which is, that's the way you have to do  
9 this, on a one-to-one basis try to provide that social  
10 service safety net for those individuals.

11 I cite these programs because they are all  
12 examples of that extra step, not mandated by  
13 government, but a group of individuals realizing the  
14 social responsibility, because we can't write a law  
15 for everything, but casinos have provided that  
16 opportunity for that to work.

17 I appreciate the opportunity to be here  
18 today. I appreciate the opportunity to present those  
19 examples, and I'll look forward to your questions.

20 CHAIRMAN JAMES: Thank you, Senator  
21 Gormley.

22 We have time for one or two, if there are

1 any.

2 Thank you very much, appreciate your being  
3 here today.

4 Mr. Kennedy.

5 MR. KENNEDY: As the Senator says, we all  
6 have our own Atlantic City stories. Mine started back  
7 in 1964, when I was nine, ten years old and my parents  
8 took me to the Democratic National Convention in the  
9 Convention Hall.

10 In those days, Atlantic City was really  
11 something. Even as a child, you know, you were  
12 impressed by the grandeur of the old hotels, the  
13 excitement on the Boardwalk, what was left of a little  
14 bit of magic in the Steel Pier, the national politics  
15 played out on a larger stage.

16 The next time I came back into Atlantic  
17 City was as a college intern in 1973, and the city  
18 wasn't dying, the city was dead. Those hotels were  
19 all but falling in upon themselves. We were warned as  
20 college interns not to come off the Boardwalk, not to  
21 cross over Pacific, and not to be on the streets at  
22 night by ourselves.