

The Link Newspaper Op-Ed Councilman Jay Briscione 11/12/10

As a result of the 50- Day, \$50 Million dollar meet this summer, Monmouth Park received national media attention and the accolades of the racing industry for its innovative experiment. As a resident of Oceanport and a racing enthusiast, I have witnessed many great thoroughbreds race at the track. Watching Ruffian win the 1974 Sorority, seeing Alysheba gallop through an early morning August haze in preparation for the 1987 Haskell, or watching Rachael Alexander defeat colts in the 2010 Haskell on her way to Horse of the Year honors, are truly memorable events for any racing fan.

Now that the meet is over, and the bustle and excitement wane, the reality of the state of the racing industry in New Jersey requires the immediate attention and action of state government. The current casino purse supplement of \$30 million which was negotiated in exchange for racetracks not pursuing on track gaming expires this year. The governor's panel on horse racing is against the state subsidizing purses and advocates getting New Jersey out of the racing business.

As an elected official in Oceanport, I recognize the importance of the track as both our largest ratable, as well as the catalyst that helps drive the local economy. This is especially important as the region adjusts to the impact of the closure of Fort Monmouth in 2011. Additionally, as a real estate professional, I can appreciate the impact that a strong racing industry has on our horse, hay, and feed farms and open space throughout Monmouth and Burlington counties.

Unfortunately, with the issue of VLT's, we find ourselves once again reacting to circumstances taking place in the surrounding states, instead of being proactive to promote the racing industry. Delaware, West Virginia, and Pennsylvania have had successful racinos for years. New York has slots at Finger Lakes, Saratoga harness, Yonkers, and, in the not to distant future Aqueduct. New York is getting an upfront payment of \$380 million and the state may earn up to 1 million a day from 4,500 slot machines at Aqueduct. Competition and convenience gambling has forever changed the gaming landscape on the east coast. As a state, we can choose to compete by offering gaming destinations of our own outside of Atlantic City, or watch as profits continue to drop. The casino industry opposes slots in the Meadowlands, yet operates facilities in neighboring states that pose competition. (Harrah's Chester Casino & Racetrack and Foxwoods in Philadelphia) The casino industry touts a \$30 million marketing initiative and a new master plan for the Atlantic City Tourism District. This is really taxpayer money generated

from reduced taxes on promotional gaming credits enacted by legislation which resulted in the last purse supplementation agreement. The tax reductions remain in perpetuity, while the purse supplement ends this year.

Although the proposed legislative package of bills endorsed by Senate Democrats attempts to bridge the differences between the casino and racing interests, it is silent on purse funding and does not support slot machines in the Meadowlands, which would solve the funding issue. Recently the State Department of Labor and Workforce Development reported that the state's labor market lost 20,200 jobs in the public and private sectors in September. The US private sector has added 863,000 jobs in 2010, while New Jersey has lost 3,900 jobs.

In 2004 Pennsylvania legalized slot machines under Act 71, the Pennsylvania Race Horse Development and Gaming Act, and in 2009 the Pennsylvania Equine Coalition commissioned a study by Tripp Umbach to assess the economic impact of Act 71 on the state's equine industry. The study showed that the total economic impact from all equine activity in PA jumped from \$780 million in 2001 to 3 billion in 2008. The racehorse sector had an estimated total economic impact of \$344.5 million in 2001, and \$1.6 billion in 2008. The number of employees rose from 6,430 in 2001 to 23,028 in 2008. Racing produced \$6.9 million in taxes for federal, state, and local coffers in 2001; the figure was \$78.3 million in 2008.

VLT's at the Meadowlands would be sufficient to provide a purse structure that would allow New Jersey racing to maintain its prominence in the industry, and protect Atlantic City from out of state competition. In a recent news article it was reported that a January 4th transition report embraced the idea of a gaming mall at the Meadowlands. Demographics, infrastructure, the site is directly accessible by mass transit, and competition from Yonkers and eventually Aqueduct, make the Meadowlands a logical and feasible site to stem the erosion of slot players to NY and PA. This type of project would also resurrect Xanadu, the unfinished retail and entertainment complex that the transition team referred to as a "failed business model."

There is the need to address the problems affecting the racing industry sooner, rather than later. The next time one gazes through the early morning mist at Monmouth Park, it might be bulldozers rather than horses coming through the mist. One need look no further than the redevelopment of Garden State Park, to see the alternative to a viable racing industry.

Given the loss of open space and the rampant development surrounding us, that would truly be an unforgivable option.

Jay Briscione

Councilman – Borough of Oceanport