

***Councilman Joe Irace Comments on the Latest Hanson Commission Report
November 2010***

The latest version of The Hanson Commission's Report on gaming does nothing for the long term benefit of Oceanport and/or Monmouth Park and puts the Standardbred and Thoroughbred owners and trainers at odds with each other. The report calls for bringing Harness Racing to Monmouth Park to run at night in the winter months. The estimated costs to the State of New Jersey for the winterization of part of the grandstand, changing track surfaces and reconfiguring some of the barns for Standardbred Horses is \$4.6 million. Winter harness racing would necessitate the installation of lights at our "historic" track right in center of a residential neighborhood. While we as a Council would love to do whatever it takes to protect Monmouth Park and help it not only survive, but thrive, this Commission's proposed plan ignores the most obvious socially and fiscally responsible solution: allowing for the installation of video lottery terminals, slot machines or a gaming casino at the Meadowlands.

Both the Standardbred owners and the thoroughbred owners are united in their opposition to a dual meet at Monmouth. The Standardbred owners have perhaps the best track in the country, at the Meadowlands, located in an industrial area off of Route 3, 7 miles from midtown Manhattan. It is foolhardy to expect their loyal patrons to travel 1 hour South of East Rutherford to Oceanport to enjoy Harness Racing when Yonkers Raceway, **30 minutes away from East Rutherford**, offers the same product AND a casino. The thoroughbred owners have enjoyed Monmouth Park for years and would much rather race on the surface that currently exists. Let's not forget that the two most interested parties, the horsemen and the general public, are clamoring for a racino at the Meadowlands facility, the Commission dismisses the idea out of hand in favor of a proposal that provides neither party with what it wants.

Two reports by Christiansen Capital Advisors, commissioned by the New Jersey Department of Treasury, recommended the installation of slot machines at the Meadowlands. The reports stated that 5,000 machines at the Meadowlands would produce \$750 million annually and that 10,000 machines would produce \$1.5 billion annually. The same study suggested that 2,100 slots at the Meadowlands would reduce Atlantic City gross gaming revenue by a mere .01 percent.

Senator Sean Kean recently said on the New Jersey Senate floor "if it (a Racino at the Meadowlands) were put to a vote we'd probably get a majority, if not a super-majority (in support), to save horse racing in the state of New Jersey." Despite the overwhelming financial benefits flowing from such an arrangement, the Hanson Report summarily dismisses the installation of Video Lottery Terminals, slot machines or a gaming casino in the Meadowlands.

Chairman Hanson, through his Commission, which, interestingly, includes no horsemen, refuses to acknowledge the viability of the racino model and, instead, continues to dump on our horse racing industry and the 7,000 jobs, \$110 million in federal, state and local taxes, and 57,000 acres of working agricultural landscape which come along with it. Racinos around the country employ nearly 30,000 people. Bringing racinos to New Jersey will create thousands of new jobs. Additionally, it will solidify many jobs that may be in danger of leaving our state in favour of states that have already authorized racino legislation. Racinos are a proven model that states around the country are turning to for gaming. Twelve states have already implemented racinos and many more are debating proposals to allow them in the near future. In 2009, racinos around the country generated \$2.6 billion dollars in tax revenue for state and local governments. Additionally, they strengthen the state's agricultural industry. Racinos allow existing racetracks to grow their purses, spurring new investments in breeding racehorse ownership throughout the state. Additional racehorses will create more jobs and improve the overall economic impact. As Delaware, Pennsylvania, New York and the nine other racino states can attest – racinos improve the rural economy.

Racinos that have reinvested their windfalls into racing, such as Sunland Park in New Mexico which hosts the Grade 3 Sunland Park Derby, which Mine That Bird used as a launching pad to his Kentucky Derby victory, and Prairie Meadows in Iowa, which hosts the Iowa Festival of Racing, with three graded stakes that attracted full fields of competitive, quality horses in 2010 are just two examples of the proven business model.

Let's do everything we can to get this matter to a vote of the New Jersey legislature as soon as possible!

State	2009 Tax Distributions	Total Racino Jobs
Delaware	\$227,550,000	2,363
Florida	\$108,370,000	2,156
Indiana	\$115,270,000	1,847
Iowa	\$101,130,000	2,586
Louisiana	\$74,290,000	2,260
Maine	\$29,080,000	303
New Mexico	\$63,420,000	1,446
New York	\$455,480,000	3,180
Oklahoma	\$13,780,000	1,097
Pennsylvania	\$742,690,000	5,799
Rhode Island	\$292,090,000	1,300
West Virginia	\$408,370,000	4,688
Totals	\$2.6 Billion	29,025

Source: "Economic Impact: Racetrack Casinos," *American Gaming Association*, 2010.