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## Atlantic City Gaming Win & Total Casino Revenue

Source: N.J. Division of Gaming Enforcement

Monthly Revenue (Industry, \$ In Thousands)	May 2019	% Change from Prior Year	May 2018	YTD May 2019	% Change from Prior Year	YTD May 2018
<b>Total Gaming Win (includes Internet &amp; Sports Wagering)</b>	266,755,503	22.5	217,696,930	1,244,125,645	21.1	1,026,999,825
<b>Sports Wagering Revenue</b>	5,519,232	-	-	37,117,126	-	-
<b>Internet Gaming Win</b>	38,340,638	57.8	24,302,621	179,401,071	53.5	116,856,057
<b>Casino Gaming Win</b>	222,895,633	15.3	193,394,309	1,027,607,448	12.9	910,143,768

Quarterly Revenue (Industry, \$ In Thousands)	Q1 2019	% Change from Prior year	Q1 2018	YTD March 31, 2019	% Change from Prior Year	YTD March 31, 2019
Casino	\$408,421	11.35	\$366,775	\$408,421	11.35	\$366,775
Rooms	\$119,612	22.14	\$97,923	\$119,612	22.14	\$97,923
Food & Beverage	\$126,166	24.79	\$101,101	\$126,166	24.79	\$101,101
Entertainment & Other	\$50,439	46.5	\$34,428	\$50,439	46.5	\$34,428
<b>Casino Licensees Total Revenue</b>	<b>\$704,638</b>	<b>17.6</b>	<b>\$619,2246</b>	<b>\$704,638</b>	<b>17.6</b>	<b>\$619,2246</b>

## Atlantic City Casino Hotel Lodging

Source: N.J. Division of Gaming Enforcement

Casino Hotel Lodging Statistics For the Period Ended December 31, 2018	Q1 2019	Q1 2018	YTD 2019	YTD 2018
Occupancy percentage	72.6	77.9	72.6	77.9
Average Daily Room Rate (ADR)	\$125.78	\$121.47	\$125.78	\$121.47
Revenue Per Available Room (RevPAR)*	\$91.32	\$94.63	\$91.32	\$94.63

\* RevPAR= ADR X Occupancy Percentage

## Atlantic City Statistical Transportation Data

Source: South Jersey Transportation Authority

Travel Mode	May 2019	Change from Prior Year	May 2018	YTD May 2019	Change from Prior Year	YTD May 2018
<b>AC Expressway</b>						
Total Toll-Paying Traffic Pleasantville Toll Plaza	1,716,467	4.6%	1,640,810	7,596,021	6.3%	7,144,554
<b>AC Airport</b>						
Scheduled Service Passengers	83,329	-0.6%	83,817	484,512	5.2%	460,920
Charter Passengers	8,164	-12.0%	9,280	35,887	-13.9%	41,695
<b>Total Air Passengers</b>	<b>91,493</b>	<b>-1.7%</b>	<b>93,097</b>	<b>520,399</b>	<b>3.5%</b>	<b>502,615</b>

Note: NJ Transit Rail Service to A.C. suspended to install federally mandated Positive Train Control (PTC) equipment. Service resumed May 12, 2019

**In LIGHT of the data above...** the first quarter continues to show positive revenue trends in the Casino, Rooms and Food & Beverage segments. Casino revenue is up 17.6%, Rooms revenue, driven by an increase in the average daily room rate (\$125.78 compared to \$121.47 in 2018), is up 23%, and Food and Beverage revenue is up approximately 24%.

While GOP increased by about 15% when compared to the 4th Quarter, it is down 29% compared to the first quarter in 2018, a sign of increased competitive pressures which in turn often result in causing higher marketing and operating expenses. This is not an uncommon phenomenon when supply increases within hospitality markets.

Total gaming revenue for the month of May (\$266.76 million) and the year-to-date (\$1.24 billion) is up 22.5 percent and 21.1 percent respectively.

## **Atlantic City Information**

**Atlantic City Planning Board accepts Ducktown Revitalization Plan** - As reported by [The Press of Atlantic City](#), the Atlantic City Planning Board unanimously approved an amendment to add the recently completed **Ducktown Neighborhood Revitalization Plan** to the municipal Master Plan.

**Atlantic City Rail Line reopens** - As reported by [The Press of Atlantic City](#), service on the **Atlantic City Rail Line** was restored on Monday, May 12, eight months after the line was shut down to facilitate the installation of federally mandated safety equipment known as positive train control (PTC).

**Casino Reinvestment Development Authority votes to increase funding for Atlantic City Airshow** - The Casino Reinvestment Development Authority (CRDA) Board voted on May 21 to increase funding for the Atlantic City Airshow to \$152,850. As reported by [The Press of Atlantic City](#), the additional funds (approximately \$100,000) will be used “to expand the number of days of the show and fund more flying acts.” The show, which will begin on Monday, Aug. 19 and conclude Wednesday, Aug. 21, is expected to draw more than 400,000 visitors to Atlantic City and generate \$45 million in economic impact.

**N.J. Department of Transportation announces plan to raise Route 40 by 2½ feet by 2025** - As reported by [The Press of Atlantic City](#), on May 14, N.J. Department of Transportation officials announced a plan to raise a stretch of Route 40 from Naples Avenue to Bayport Drive to alleviate chronic flooding. The \$27.5 million project would begin in 2022 and be complete by 2025.

**MGM Resorts International and Boraie Development LLC announce plans to build 200 luxury condo units in Atlantic City’s Marina District** -According to [The Press of Atlantic City](#), MGM Resorts, operators of Borgata Hotel Casino & Spa, and Boraie Development LLC, operators of the 600-unit NoBE complex in the South Inlet, have partnered to build 200 luxury condos on a 14.71-acre plot of land owned by Borgata. The project, which was announced on May 14, will need to be approved by both the U.S. Army Corps of Engineers and the Casino Reinvestment Development Authority.

**Miss America 2020 Competition to be broadcast live on NBC** - As reported by **The Press of Atlantic City**, Miss America 2020 will air live on NBC. As the competition's traditional date, the second Sunday in September, would conflict with NBC's "Sunday Night Football" broadcast, the Miss America Organization is expected to announce a new date for the event. Speaking on behalf of the Casino Reinvestment Development Authority, Executive Director Matt Doherty told the Press: "We're very happy for Miss America that they were able to secure NBC as a network... We hope that they will be able to stay in Atlantic City."

**Stockton University Board of Trustees authorizes negotiations with the Atlantic City Development Corp (ACDevco) for Phase II development at Stockton University's Atlantic City Campus -**

According to a May 29 **press release** from Stockton University, the Board of Trustees approved the university's pursuit of a public/private partnership with ACDevco to develop another student residential complex as the second phase of Stockton's campus in Atlantic City. The Trustees' approval is contingent on the state of New Jersey appropriating at least an additional \$5 million in annual state aid to the university to support the ongoing academic and operating costs associated with the project.

## **New Jersey Gaming News**

**Borgata announces opening date for new sportsbook & lounge** - According to a May 22 **press release**, Borgata Hotel Casino & Spa will open the Moneyline Bar & Book and adjacent Level One Cocktail Bar & Lounge on June 29. Combined, the 8,000 square-foot Book and 3,600 square-foot Lounge added \$12 million in development to the casino-resort.

**Borgata launches branded sports betting platform** - As reported by **The Press of Atlantic City**, Borgata Hotel Casino & Spa launched a new digital sports betting platform bearing the Borgata name on May 14. 'BorgataSports.com' hopes to leverage the strength of Borgata's other branded sites including BorgataCasino.com and BorgataPoker.com and provide a seamless experience for Borgata customers across all three platforms.

**Gaming Innovation Group (GiG) fined \$25,000 by New Jersey Division of Gaming Enforcement (DGE)**- As reported by **iGaming Business**, GiG has been fined \$25,000 by the DGE for violating New Jersey geolocation rules. The online gaming partner/operator accepted a single online bet from an individual located outside of New Jersey state boundaries.

## **National Gaming News**

**American Gaming Association releases self-regulations on the advertising and marketing of legal sports betting** - According to a May 14 **press release**, the American Gaming Association is officially adopting a "**Responsible Marketing Code for Sports Wagering**." Included in the code are "self-imposed restrictions on target audiences, outlets and materials branding, while mandating responsible gaming inclusion."

**Montana, Indiana and Iowa legalize sports betting** - According to **Legal Sports Report**, on May 3 Montana Governor Steve Bullock signed one of two sports betting bills, **H 725**, into law, making Montana the ninth U.S. state to legalize sports betting. Under H 725, only Montana's state lottery will be authorized to operate sports betting. The second bill (**S 330**), which the Governor vetoed, would have authorized wagering via taverns and bars.

As reported by **Legal Sports Report**, Indiana Governor, Eric Holcomb signed **House Bill 1015** into law on May 8. Under the new law, the Indiana Gaming Commission will be given oversight of land-based and mobile sports wagering in the state, which will be taxed at a rate of 9.5 percent. Sports betting operators will pay a license fee of \$100,000 with annual renewal payments of \$50,000. Wagering on esports or amateur athletes under the age of 18 is prohibited.

Also reported by **Legal Sports Report**, Iowa Governor Kim Reynolds signed legislation (**SF 617**) legalizing sports betting in that state on May 13. Iowa sports betting, including "mobile betting via intrastate means only," will be overseen by the Iowa Racing and Gaming Commission and taxed at a rate of 6.75 percent. Licenses will be \$45,000 with a \$10,000 annual renewal fee. Operators will be limited to two skins per license and mobile customers must register in person until Jan. 1, 2021. The three bring the 11 the number of states with legalized sports betting.

**NASCAR develops live betting product for global release-** As reported by **ESPN**, official data from NASCAR is being used to create a real-time sports-betting platform for distribution to legal sports-betting operators worldwide. The platform, exclusively provided by NASCAR partner Genius Sports, will include odds and a suite of wagers and prop bets. Representative of NASCAR, Brian Herbst, told the press: "This new relationship will provide another entry point to the sport and complements our strategy to create a more immersive experience for fans."

**New York holds public hearing on sports betting-** As reported by **Legal Sports Report**, New York legislature held a public hearing on sports betting on May 8. The hearing, organized into a series of panels, focused on individual components of sports betting from major sports leagues and players, to commercial casinos and industry operators. According to testimony provided by gaming analysts Eilers & Krejcik, a mature New York sports-betting market which includes mobile betting could generate over \$1 billion in total annual gaming revenue. Without mobile gaming, Eilers & Krejcik estimate the New York market would generate \$48.3 million annually. New York's first commercial sports books could open by fall 2019, with or without mobile sports betting.

**Pennsylvania launches first online sports book-** As reported by the **Associated Press**, Sugar House Casino in Philadelphia became the first Pennsylvania casino to launch an online sports book on May 28. Following a soft play testing period, the casino launched full online and mobile operations on May 31.

## **Regional Hospitality & Tourism News**

**Cape May County Tourism expected to grow in 2019-** As reported by **The Press of Atlantic City**, Cape May County's \$6.6 billion tourism industry is expected to continue growing at a slow, steady pace. According Cape May County Director of Tourism Diane Wieland, the county was up 3.8 percent in 2018 and 1.4 percent in 2017. Cape May County's tourism industry is the second largest in the state following Atlantic County (\$7.4 billion in 2018).

**Higher Atlantic City hotel room rates for end of June 2019** - As reported by **The Press of Atlantic City**, casino hotel room rates for the last weekend in June are between four and 45 percent higher than single night stays on the weekends before and after a nearly sold out Vans Warped Tour beach concert scheduled for June 29 and 30. Higher room rates may be a function of increased consumer demand due to the two-day beach concert series, but continue a trend of increasing peak season room rates. As reported by the New Jersey Division of Gaming Enforcement, average daily room rates in summer 2018 were \$151, nearly thirty percent higher than rates in 2017 (\$118).

## **National/International Hospitality & Tourism News**

**National Restaurant Association ‘State of the Restaurant Industry Report’ provides insight into millennial dining habits** - According to the **National Restaurant Association**, millennial customers aged 21-38, are willing to ‘pay more to get more’ from their dining experiences including paying extra for a personal server or for a better table. More than six in ten millennials wanted to see restaurants use technology to streamline ordering and payment, and to make takeout and delivery more convenient. Environmental Sustainability was also important to millennial diners - 58 percent said they were more likely to choose one restaurant over another based on its ability to provide sustainably grown, raised and manufactured foods.

**Restaurant Industry fills nearly half of 2018 job openings with first-time workers or promotions** - According to the **National Restaurant Association** nearly half of all job openings in 2018 were filled by first time workers or promotions from within. The limited-service segment was the most likely to hire new workers with quick service and fast casual filling 31 and 25 percent of open positions with new entrants to the workforce. Quick service restaurants were the most likely to promote from within, filling 24 percent of open positions through promotion.

**TWA Hotel opens at New York’s Kennedy Airport** - As reported by **Travel Weekly**, operators have opened a 512-room hotel within the former TWA Flight Center airport terminal at JFK. Hotel owners anticipate the property will have no trouble achieving 200 percent occupancy, a feat made possible by plans to offer both traditional overnight stays and "day stays," (four-hour blocks offered at four periods throughout the day). The \$265 million project is the first hotel to open at Kennedy Airport.

**United States hotel construction pipeline continues growth in first quarter 2019** - According to **Lodging Magazine**, analysts at **Lodging Econometrics** (LE) have reported a near record high in U.S. hotel construction. At the end of first quarter 2019 U.S. hotel construction pipeline projects totaled 5,647 (687,941 rooms), up 7 percent year-over-year (8 percent up for rooms) and 4 percent short of an all-time high of 5,883 projects (785,547 rooms) reached in second quarter 2008. LE predicts 2.2 percent year-over-year growth in lodging supply for 2019 with 1,038 new hotels/118,385 rooms expected to open before year end.

**United States hotel profits reach record high despite rising cost of labor-** According to data compiled by Smith Travel Research (STR) in their **2019 Host Almanac**, and reported by **Lodging Magazine**, U.S. hotel revenues reached a record \$218 billion in 2018, a \$10 billion year-over-year increase. Overall gross operating profits (GOP) increased 2.8 percent, but analysts caution “maintaining profitability will be a challenge moving forward with flattening occupancy levels, diminished pricing confidence and low unemployment creating a smaller talent pool and higher wages.”

**Washington state passes legislation regulating short-term rentals-** As reported by **Lodging Magazine**, Washington Governor Jay Inslee signed a bill (**HB 1798**) into law on May 9 that requires short-term rental operators and platforms to register with the state Department of Revenue, remit all local, state, and federal taxes, and maintain liability insurance. The bill also includes consumer safety provisions, which require operators to comply with carbon monoxide alarm laws and clearly post key safety information (Ex. Floor plans with fire exits, emergency services contact information and maximum occupancy limits). The bill will go into effect on July 27, 2019.