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Atlantic City Gaming Win & Total Casino Revenue

Source: N.J. Division of Gaming Enforcement

Monthly Revenue (Industry, \$ In Thousands)	June 2020	% Change from Prior Year	June 2019	YTD June 2020	% Change from Prior Year	YTD June 2019
Total Gaming Win (includes Internet & Sports Wagering)	\$91,160	-65.8%	\$266,755	\$874,087	-29.7%	\$1,244,126
Sports Wagering Revenue	\$5,220	-5.4%	\$5,519	\$40,645	9.5%	\$37,117
Internet Gaming Win	\$85,940	124.1%	\$38,341	\$337,796	88.3%	179,401
Casino Gaming Win	0	-100.0%	\$222,896	\$495,646	-51.8%	1,027,607

Quarterly Revenue (Industry, \$ In Thousands)	Q1 2020	% Change from Prior year	Q1 2019	YTD March 31, 2020	% Change from Prior Year	YTD March 31, 2019
Casino	\$355,278	-9.5	\$392,402	\$355,278	-9.5	\$392,402
Rooms	\$97,577	-20.6	\$122,961	\$97,577	-20.6	\$122,961
Food & Beverage	\$103,666	-20.3	\$130,033	\$103,666	-20.3	\$130,033
Entertainment & Other	\$39,129	-23.5	\$51,167	\$39,129	-23.5	\$51,167
Casino Licensees Total Revenue	\$595,623	-14.5	\$696,563	\$595,623	-14.5	\$696,563

Atlantic City Casino Hotel Lodging

Source: N.J. Division of Gaming Enforcement

Casino Hotel Lodging Statistics For the Period Ended June 30, 2019	Q1 2020	Q1 2019	YTD 2020	YTD 2019
Occupancy percentage	68.13%	72.56%	68.13%	72.56%
Average Daily Room Rate (ADR)	\$128.03	\$125.78	\$128.03	\$125.78
Revenue Per Available Room (RevPAR)*	\$87.22	\$91.27	\$87.22	\$91.27

* RevPAR = ADR X Occupancy Percentage

Atlantic City Statistical Transportation Data

Source: South Jersey Transportation Authority

Travel Mode	May 2020	Change from Prior Year	May 2019	YTD May 2020	Change from Prior Year	YTD May 2019
AC Expressway						
Total Toll-Paying Traffic Pleasantville Toll Plaza	666,475	-61.2%	1,716,467	4,992,665	-34.3%	7,596,021
AC Airport						
Scheduled Service Passengers	5,608	-93.4%	84,734	259,777	-46.5%	485,917
Charter Passengers	0	-100.0%	8,164	16,237	-54.8%	35,887
Total Air Passengers	5,608	-94.0%	92,898	276,014	-47.1%	521,804

In LIGHT of the data above...

Internet Gaming has consistently increased each month over the previous month since the casinos closed in March. Internet gaming revenue in June 2020 was 63% above the revenue for February, the last full month before the closure and 123% over June 2019. Although Internet gaming has been on an overall upward revenue trajectory since it was launched in 2013, the increase over the last few months has been even greater with the closure of brick and mortar casinos.

Statewide sports wagering revenue was increasing steadily before the shutdown but has been down year over year in April (87%), and May(36%) because of the lack of sports on which to wager. Sports wagering revenue was up 30% in June as some sports resumed. The announcement that Major League baseball will open on July 23 will give sports bettors a lot more options. We should expect to see sports betting handles and revenues increase in July and especially August 2020 as a result.

Thankfully June will be the last month with zero brick and mortar casino revenue for Atlantic City. Even at 25% capacity there is nowhere to go from here but up.

Atlantic City Information

Atlantic City Mayor issues temporary executive order allowing open consumption of alcoholic beverages in certain areas of the city – As reported by [The Press of Atlantic City](#), Mayor Marty Small Sr. issued an [executive order on June 8](#) temporarily permitting the open consumption of alcoholic beverages on the Boardwalk, Gardner's Basin and the Orange Loop. The order took effect June 12.

Atlantic City responds in aftermath of peaceful protests turned violent – As reported by [The Press of Atlantic City](#), Atlantic City residents came together on June 1 to clean up debris left by looters Sunday night around Tanger Outlets The Walk. The property damage took place following a peaceful, anti-police violence demonstration on May 31 in response to the May 25 death of George Floyd in Minnesota. Similar events occurred across the nation.

Meet AC names new president and CEO – As reported by [The Press of Atlantic City](#), Meet AC, Atlantic City's group sales and marketing organization, has named Larry Sieg as its new president and CEO. Sieg has worked in the tourism, sales and hospitality industry for nearly 30 years. He joined the Atlantic City Convention and Visitors Authority in March 1998 and ascended to the role of vice president of marketing before the Authority was formally dissolved in 2011. The assets and responsibilities of the Authority were absorbed by the Casino Reinvestment Development Authority where Sieg serves as director of communications and marketing. He assumes his new role as president and CEO of Meet AC effective July 13.

Plan submitted for demolition of former Trump Plaza – As reported by [The Press of Atlantic City](#), Carl Icahn, owner of the former Trump Plaza, has submitted a plan that would see the building demolished by February 2021 at the latest. Both hotel towers would be imploded leaving the Rainforest Café and parking garage standing.

Water park planned adjacent to Showboat Hotel – As reported by **The Press of Atlantic City**, the owner of the Showboat Hotel, Bart Blatstein, presented plans at a land use hearing of the Casino Reinvestment Development Authority (CRDA) for the construction of a \$100 million water park adjacent to the former casino turned non-gaming hotel. The proposed plan is scheduled to be considered at the next public meeting of the CRDA Board of Directors on July 21. Blatstein told The Press that he is only interested in the water park and will not be pursuing gaming operations for now.

New Jersey Gaming News

Atlantic City casinos move forward with plans to reopen July 2 despite postponed reopening of indoor food & beverage service – As reported by **The Associated Press**, on June 29 New Jersey Governor Murphy **announced** a pause to the resumption of indoor dining, impacting the reopening plans of Atlantic City's casinos. Executive Order 158 includes a prohibition of "consumption of food or beverages and smoking in the indoor premises of any retail, recreational, or entertainment business, including casinos, where masks are strictly required." Eight of the city's nine properties decided to move forward with reopening on July 2 or 3 regardless of the prohibition (Resorts, Tropicana, Ocean, Golden Nugget and Hard Rock on Thursday. Harrah's, Caesars and Bally's on Friday). As reported by **The Press of Atlantic City** and **NJ.com**, on June 22, New Jersey Governor Phil Murphy had announced that casinos could reopen and restaurants resume indoor dining on July 2. Both casinos and indoor dining would be limited at 25% capacity and casinos would require the wearing of masks.

Eldorado/Caesars merger not included on June meeting agenda of New Jersey Casino Control Commission, conditionally approved by the Federal Trade Commission (FTC) – As reported by **Calvin Ayre**, the merger of Eldorado and Caesars will need to wait at least another month before being debated by the New Jersey Casino Control Commission. As reported by **Las Vegas Review Journal**, the FTC has conditionally approved a \$17.3 billion merger between Eldorado Resorts and Caesars Entertainment Corp. FTC approval signals that antitrust concerns have been cleared. Nevada, Indiana and New Jersey are among the last states needed to approve the merger.

New Jersey Casino Control Commissions grants initial casino key employee license to Caesars Entertainment Corp. top regional executive – As reported by **The Press of Atlantic City**, the Casino Control Commission has approved Ronald Bauman to serve as regional president and CEO of Bally's Atlantic City, Caesars Atlantic City and Harrah's Resort Atlantic City.

National Gaming News

American Gaming Association announces 'Payments Modernization Policy Principles' – On June 16, the American Gaming Association (AGA) **released** new '**Payments Modernization Policy Principles**' providing regulatory framework for the expanded use of digital payments on the casino floor. Digital or contactless payments have become of particular interest to casino operators and patrons in light of heightened public health concerns due to COVID-19.

American Gaming Association releases State of the States report – On June 3 the American Gaming Association (AGA) **released** the **2020 State of the States** report. According to the report, 2019 marked the fifth-straight year of revenue increases with a record \$43.6 billion generated in commercial gaming revenue. The AGA estimates the U.S. gaming industry (including tribal operators and gaming suppliers) generates “\$261 billion in total economic activity, including an estimated \$52 billion worth of revenue to outside contractors and small businesses, while supporting an estimated 1.8 million jobs.”

Esports Entertainment Group (EEG) expands into U.S. market – As reported by **Esports Insider**, Malta based EEG, looks to expand into the U.S. gaming market through a partnership with New Jersey based firm, GMBL New Jersey Inc. EEG is expected to apply for its first license in New Jersey in “the near future.”

Illinois launches first online sportsbook – According to **Legal Sports Report**, on June 18, BetRivers became the first online sportsbook to launch in Illinois. In acknowledgement of current circumstances preventing patrons from registering at physical casino locations, Illinois Gov. J.B Pritzker issued an executive order which will permit patrons to register from home.

Nevada gambling regulators mandate masks for casino patrons not physically separated - As reported by **Calvin Ayre** and **Forbes**, two weeks after the reopening of casinos, Clark County, home of Las Vegas, saw a record spike in COVID-19 cases. In response, the Nevada Gaming Control Board revised its health and safety policies to include a mandate that casino patrons, not physically separated by a barrier, partition, or shield, wear a mask while at or within six feet of card or table gaming positions.

Pennsylvania casinos reopen – As reported by **Casino.org**, three Pennsylvania casinos, Rivers Casino Pittsburgh (June 9), Meadows Casino (June 9) and Lady Luck Casino Nemacolin (June 12) reopened the week of June 8. These three casinos were located in designated ‘Green Phase’ counties in the Southwestern part of the state that have been less severely impacted by COVID-19 than the eastern part of the state. As reported by **PennBets.com**, on June 12, Pennsylvania Gov. Tom Wolf announced that three more counties had transitioned to the ‘green phase’ of reopening. The three casinos located in those counties, Hollywood Casino at Penn National Race Course (June 19), Mohegan Sun Pocono (June 22) and Mount Airy Casino Resort (TBA) were permitted to open. The state’s other three casinos are still waiting to be allowed to open.

Golf and UFC generate big sports wagering handles – As reported by **Las Vegas Review Journal**, sports books report big wagering handles for UFC and golf events. The Charles Schwab Challenge generated record handle for wagering on golf at the DraftKings sportsbook, outperforming all major PGA events in 2019.

Hospitality & Tourism News

National Restaurant Association issues statement on Supreme Court decision regarding DACA – The National Restaurant Association (NRA) released a **statement** on June 18 in support of the Supreme Court decision in *Department of Homeland Security, et al. v. Regents of the University of California, et al.*, that allows young immigrants brought to the U.S. as children to continue to renew their work permits under the Deferred Access for Childhood Arrivals (DACA) program and also be protected from deportation. Tom Bené, President & CEO of the NRA called the decision a “validation of the American dream” and said the NRA, as the second-largest private sector employer, “will continue to support common-sense immigration reforms that allow us to provide opportunity and advancement to a growing legal workforce.”

New Jersey Assembly passes bill designating Howell House in Cape May as New Jersey's official Harriet Tubman Museum - As reported by [The Press of Atlantic City](#), on June 30 the New Jersey State Assembly unanimously passed Bill [A3201](#) recognizing Howell House in Cape May as New Jersey's official Harriet Tubman Museum. The bill was received in the senate and referred to Senate State Government, Wagering, Tourism & Historic Preservation Committee.

New Jersey enters Stage 2 of reopening June 15 - As reported by [NJ.com](#), New Jersey entered Stage 2 of the statewide reopening plan allowing, among other things, the reopening of non-essential retail and outdoor dining at restaurants. According to [NJ.com](#), the Tennessee Avenue Beer Hall was among the first dining establishments in Atlantic City to open for outdoor dining. They served the first legal beer to be consumed on-premise in three months at 6 a.m. on June 15.

Restaurant employment begins to rebound – As reported by the [National Restaurant Association](#), restaurants nationwide added 1.4 million jobs in May. This is a step toward reclaiming the estimated 6 million jobs lost due to the COVID-19 coronavirus in March and April. According to the Bureau of Labor Statistics, there were 6.3 million employees on payroll at eating and drinking places in April 2020, the lowest employment level for the industry since May 1988. It is estimated that the restaurant industry lost three times more jobs than any other industry in March and April, however job gains in May were three times higher than the next closest industry (construction).

Three states will impose quarantine on visitors from states with COVID-19 spikes – As reported by [The New York Times](#), on June 24, New York, New Jersey and Connecticut issued a ‘joint travel advisory’ requiring travelers from states with a positive test rate higher than 10 per 100,000 residents, or a state with a 10 percent or higher rate over a seven-day rolling average (at that time Alabama, Arizona, Arkansas, Florida, North Carolina, South Carolina, Texas and Utah) to quarantine for 14 days.

U.S. Travel forecasts 45% decline in U.S. travel spending in 2020 - According to a [forecast](#) published by U.S. Travel and reported by [Lodging Magazine](#), total travel spending in the U.S. is expected to decline 44.8% year-over-year in 2020, generating \$622 billion in spending compared to \$1.127 trillion in 2019. Domestic trips by U.S. residents are expected to fall by 30% year-over-year to 1.6 billion. This is the lowest rate since 1991, which was during a period of recession.