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Atlantic City Gaming Win & Total Casino Revenue

Source: N.J. Division of Gaming Enforcement

Monthly Revenue	December 2018	% Change	December 2017
Total Gaming Win (includes Internet & Sports Wagering)	258,880,679	25.1	206,992,988
Sports Wagering Revenue	20,814,222	-	-
Internet Gaming Win	29,008,265	39.7	20,757,645
Casino Gaming Win	209,058,192	12.3	186,235,343

Year to Date Revenue	December 2018	% Change	December 2017
Total Gaming Win (includes Internet & Sports Wagering)	2,903,477,507	9.2	2,659,013,594
Sports Wagering Revenue	94,022,393	-	-
Internet Gaming Win	298,700,903	21.6	245,605,982
Casino Gaming Win	2,510,754,211	4.0	2,413,407,612

Atlantic City Casino Hotel Lodging

Source: N.J. Division of Gaming Enforcement

Casino Hotel Lodging Statistics For the Period Ended June 30, 2018	Q3 2018*	Q3 2017	YTD 2018*	YTD 2017
Occupancy percentage	88.2%	95.8%	84.1%	89.2%
Average Daily Room Rate (ADR)	\$151.66	\$118.44	\$138.74	\$110.31
Revenue Per Available Room (RevPAR)**	\$133.76	\$113.47	\$116.68	\$98.40

* The DGE has since revised their quarterly reports to reflect recent changes in financial reporting methodology.

** RevPAR= ADR X Occupancy Percentage

Atlantic City Statistical Transportation Data

Source: South Jersey Transportation Authority

Travel Mode	December 2018	Change from Prior Year	December 2017	YTD December 2018	Change from Prior Year	YTD December 2017
AC Expressway						
Total Toll-Paying Traffic Pleasantville Toll Plaza	1,400,339	3.3%	1,355,934	19,236,387	4.0%	18,495,125
AC Airport						
Scheduled Service Passengers	96,253	8.9%	88,428	1,058,379	5.8%	1,000,230
Charter Passengers	5,397	-8.4%	5,894	106,558	4.6%	101,862
Total Air Passengers	101,650	7.8%	94,322	1,164,937	5.7%	1,102,092

Note: NJ Transit Rail Service to A.C. suspended to install federally mandated Positive Train Control (PTC) equipment. Service expected to resume early 2019

Legislative Information

U.S. House of Representatives H.R.341 (Pallone) proposes amending “Clean Ocean and Safe Tourism (COAST) Anti-Drilling Act”– As recorded by the **U.S. Congress** and reported by **The Press of Atlantic City**, on Jan. 8, Representative Frank Pallone Jr. of New Jersey introduced **H.R.341**, a bill amending the **Outer Continental Shelf Lands Act** and permanently prohibiting the expansion of offshore drilling for gas and oil in the Mid-Atlantic, South Atlantic, North Atlantic, Straits of Florida, and Eastern Gulf of Mexico. Pallone and 55 co-sponsors of the bill, including Rep. Jeff Van Drew, argue there isn't enough gas and oil in the Atlantic to make it worthwhile to risk a spill and the devastation it would bring to the fishing and tourism industries on which coastal economies rely. The bill was referred to the House Committee on Natural Resources.

New Jersey State Assembly A15 (Coughlin et. al.) raises, over time, hourly minimum wage to \$15.00– As recorded by the **New Jersey State Legislature** and reported by **The New York Times**, representatives of the New Jersey State Senate and Assembly and Governor Phil Murphy, reached an agreement on Jan. 17 to increase the state's minimum wage to \$15.00 per hour over a period of five years. New Jersey's minimum wage was \$8.85 as of Jan. 1, 2019. Under the agreement it will be raised to \$10 by July 1, 2019, \$11 by Jan. 1, 2020 and increase by one dollar each subsequent year until reaching \$15 on Jan. 1, 2024. Wages for agricultural workers, seasonal workers and small businesses (with five or fewer employees) will increase at a slower rate. Agricultural workers will receive a minimum wage of \$12.50 per hour by 2024, and seasonal workers/small businesses will receive a \$15 per hour base minimum wage by Jan. 1, 2026.

U.S. Department of Justice, Opinions of the Office of Legal Counsel (v. 42) reconsider whether the Wire Act applies to non-sports gambling – As recorded by the United States Department of Justice, and reported by **Online Poker Report** and the **Las Vegas Review Journal**, the Office of Legal Counsel (OLC) has released a **memorandum** revising an earlier opinion (2011) that the prohibitions of the Wire Act (1961) in **18 U.S.C. § 1084(a)** are limited to sports gambling. The reversal challenges the legality of multi-state online poker, fantasy sports and lotteries as currently exist via the **Multi-State Internet Gaming Agreement (MSIGA)** between Delaware, Nevada and New Jersey. In a **press release** from the American Gaming Association (AGA) Senior Vice President of Public Affairs, Sara Slane commented that “with over 4,000 regulators and billions of dollars allocated to compliance, casino gaming is one of the most highly regulated industries in the country and for decades has provided its customers with cutting-edge products in a safe, regulated environment.” She noted that the 2018 OLC opinion does not impact the ability for gaming operators to offer regulated gaming products on a state-by-state and tribal basis.

Atlantic City Information

Atlantic City and Atlantic County to pay \$4.8 million tax appeal settlement to Hard Rock Hotel & Casino - As reported by **The Press of Atlantic City**, Atlantic City and Atlantic County will pay \$1.2 million annually to Hard Rock Hotel & Casino over the next four years to settle a property-tax appeal filed by former property owner Carl Icahn in 2017. Due to the property's closure in 2016 it was not included in the casino payment-in-lieu-of-taxes agreement and the timing of its purchase impacted resolution of the 2017 appeal. Following this settlement there should be no remaining tax appeal issues for any current casinos or properties that used to be casinos.

Egg Harbor Township applies for federal grant to cover cost of demolishing ‘eyesores’ - As reported by **The Press of Atlantic City**, Egg Harbor Township officials have applied for a \$2.4 million grant from The Federal Emergency Management Agency's flood mitigation grant assistance program to demolish four “eyesore motels” in West Atlantic City and convert the land along the Route 40 entrance to Atlantic City into green space. Four of West Atlantic City’s eight motels, the Hi Ho Motel, Destiny Inn, Bay Point Inn and Budget Motel, that were made uninhabitable due to regular tidal surges and flooding, would be acquired by the township and demolished to make way for recreational fields, vegetation or restored wetlands to absorb flood water.

Casino Reinvestment Development Authority (CRDA) holds public hearing to discuss rehabilitation and preservation of three historic buildings used as affordable-housing - As reported by **The Press of Atlantic City**, a Boston based property development company, WinnCompanies, has proposed a \$37 million project to rehabilitate and preserve the Schoolhouse Apartments, Disston Apartments and Liberty Apartments. The historic buildings, which were converted to 153 affordable-housing units 40 years ago, would continue to be used as affordable-housing following the renovations. WinnCompanies is seeking a \$4.45 million loan from the CRDA to finance the project.

Plans for AtlantiCare HealthPark approved by CRDA - As reported by **The Press of Atlantic City**, the Casino Reinvestment Development Authority voted on Jan. 22 to preliminarily approve AtlantiCare’s plans to build a \$38 million HealthPark at Ohio and Atlantic Avenues across the street from AtlantiCare Regional Medical Center’s Atlantic City Campus. In addition to providing the lot (valued at \$3 million), AtlantiCare has asked the CRDA to provide \$15 million in funds.

New Jersey Gaming News

Alisa Cooper named vice chair of Casino Control Commission - as reported by **The Press of Atlantic City**, on Jan. 9, the Casino Control Commission named Alisa Cooper, a native of Atlantic City, as vice chair for 2019. Ms. Cooper an Atlantic County freeholder from 2005 to 2011, was appointed to the commission in 2012 and reappointed for a five-year term in 2014.

Complaint filed against DraftKings regarding operation of ‘DraftKings Sports Betting National Championship’ – As reported by **ESPN**, participants of the ‘DraftKings Sports Betting National Championship’ held Jan. 1-13, allege the company “operated with negligence and in an arbitrary manner” while running the event. The suit claims bets of similar size and on similar events were inconsistently accepted, rejected and paid out, affecting the participants’ performance in the contest which was decided based on who ended with the largest bank roll. Representatives of DraftKings told ESPN that the company’s backend system that grades wagers worked correctly. The contest, which was the first of its kind, attracted more than 200 contestants with a \$10,000 buy in.

DGE greenlights ‘soft-play’ sports betting at Hard Rock Hotel & Casino Atlantic City- As reported by **CalvinAyre**, On Friday, Jan. 25, the New Jersey Division of Gaming Enforcement (DGE) approved tests of Hard Rock’s system for online sports wagering. The casino scheduled both in-person and online sports betting to be available for National Football League championship game on Feb. 3. Hard Rock is the eighth casino in Atlantic City to offer sports betting. The only other property yet to offer sports betting in Caesars Atlantic City, whose patrons utilize the sports book at neighboring Caesars Entertainment property, Bally’s Atlantic City.

DGE levies first fine for underage internet gambling- As reported by [The Press of Atlantic City](#), New Jersey's Division of Gaming Enforcement (DGE) issued a \$30,000 fine to internet gaming website playsugarhouse.com for allowing underage gamblers to place bets on their site for over a year. The activity occurred from November 2016 through January 2018 due to a software defect that failed to accurately record patrons' birthdates. The error has since been fixed.

National Gaming News

Arizona and Hawaii among latest states to introduce bills for state-regulated sports betting- As reported by [LegalSportsReport](#), 18 U.S. states have introduced 40 sports betting bills in 2019. On Jan. 23, that list expanded to include Arizona (S1158), which would allow sports betting at a broad range of locations including the state's 24 tribal gaming facilities and the Sky Harbor Airport; and Hawaii (H1101), which would create the Hawaii Sports Wagering Corporation an entity similar in structure to the lottery commissions of Delaware and Rhode Island. Notably the launch of state-regulated sports betting in Hawaii would be the first legalized form of gambling in the state.

New York State Gaming Commission approves draft regulations for sports betting at commercial casinos - As reported by [CalvinAyre](#), on Jan. 28, the New York State Gaming Commission approved draft regulations allowing four upstate commercial casinos to offer in-person sports betting. The casinos, which already have agreements with sports betting technology partners, could launch sportsbooks as early as April 2019. The draft regulations make no provision for mobile or online sports wagering and do not specifically include tribal gaming operators.

Pennsylvania launches three more sportsbooks in January bringing total to six - As reported by [LegalSportsReport](#), Pennsylvania gaming continues to expand with three sportsbooks (Parx, South Philadelphia Turf Club and Harrah's Philadelphia) opening in January. The South Philadelphia Turf Club, located close to three major sports arenas, is expected to replicate the success of New Jersey's Meadowlands sportsbook, located next to MetLife Stadium, which currently leads the New Jersey market with more than \$3.5 million in revenue for the month of December. At the end of its first full month of sports betting Pennsylvania realized \$2 million in win (hold) and \$16 million in wagers (handle) for December.

Schools adapt to legal wagering on college sports – As reported by [SportsBusiness Journal](#) and reprinted in [Biz Journals](#), college athletics programs in the eight states (Delaware, Mississippi, New Jersey, Nevada, New Mexico, Pennsylvania, Rhode Island and West Virginia) that currently allow wagering on college sports have had to adapt to new concerns. While the NCAA has long banned athletes and others from betting on sports the increased availability of sports wagering may have unknown impacts on college communities. Several states including Pennsylvania have requested that gaming regulators ban wagering on the state's college sports. To date only New Jersey has specifically prohibited sportsbooks in the state from accepting wagers involving New Jersey schools.

Virginia legislators consider gaming bill- As reported by [CalvinAyre.com](#), the Virginia Senate Committee on General Laws and Technology, which is part of the General Assembly, passed a gaming bill by a vote of 9-3-1 on Jan. 21. The bill, which is now being considered by the state's Senate Finance Committee, will still have to go to public vote before casino operators could be issued licenses from the Virginia Lottery board. Licensing for casino operators could come as soon as July 1, 2020.

Hospitality & Tourism News

Arena Football League franchise planned for Atlantic City- As reported by **The Press of Atlantic City**, on Jan. 22 the Casino Reinvestment Development Authority (CRDA) voted to enter into a nonbinding three-year public-private partnership license agreement with the Arena Football League. The CRDA will make \$500,000 available for capital expenditures to purchase equipment and convert Jim Whelan Boardwalk Hall for six of ten games per year. The league will form a team that will hold its first game in mid to late April 2019. The Arena Football League includes teams based in Philadelphia, Baltimore, Washington (DC) and Albany (New York). The Atlantic City team will be the fifth professional sports franchise to come to Atlantic City in the past 20 years.

Atlantic City meetings and conventions business grows – Meet AC President & CEO Jim Wood told **Meetings Today** Atlantic City was on track to exceed booking goals for the year. He said: “Market share and room nights are up overall, driven by the added inventory and new business at our properties and the Atlantic City Convention Center.” As reported by **The Press of Atlantic City**, Meet AC finished 2018, its fourth consecutive year of growth, with 238 bookings that will fill 371,996 hotel rooms in the city through 2022.

Caesar’s Entertainment becomes first “casino sponsor of the NFL”- As reported by the **Las Vegas Review-Journal**, Caesars Entertainment and the NFL have signed a multi-year agreement naming the casino operator “casino sponsor of the NFL.” While Caesars will be permitted to use NFL branding and trademarks at their casinos and as part of casino events such as official watch parties, the agreement does not extend to sports wagering, daily fantasy sports or the company’s hotels and resorts.

Caesars Entertainment Corporation announces opening of company’s first non-gaming hotel in the United States - According to a **Jan. 28 Press Release** from Caesars Entertainment, Caesars Entertainment Corporation plans to open a non-gaming hotel in Scottsdale, AZ. The property, to be called Caesars Republic Scottsdale, is the company’s first non-gaming hotel in the United States. Caesars Entertainment opened its first non-gaming properties, two beachfront luxury resorts on Meraas' Bluewaters Island in Dubai, in late 2018. The company has also announced plans to open a non-gaming Caesars Palace resort along the coast of Puerto Los Cabos, Mexico. According to **Lodging Magazine**, Caesars Republic Scottsdale represents the next phase of development for a mixed-use property that includes luxury retail destination, Scottsdale Fashion Square. Further development of the property is expected to add upscale office and residential spaces.

CRDA invests in Esports – As reported by **The Press of Atlantic City**, The Casino Reinvestment Development Authority (CRDA) board voted to invest \$700,000 over the next 18-months to promote Esports events at Jim Whelan Boardwalk Hall and the Atlantic City Convention Center. The CRDA will be working with **Ingame Esports Inc.** to develop events and programming targeted to the millennial and youth demographic. Also reported by **The Press of Atlantic City**, this summer the city’s convention and marketing group, Meet AC, will host a three-day (June 25-27) **Esports Travel Summit** presented by **SportsTravel Magazine**.

Marriott International announces rebranding of loyalty programs- As reported by **Lodging Magazine**, on Jan. 16 Marriott International announced that Marriott Rewards, The Ritz-Carlton

Rewards, and Starwood Preferred Guest (SPG) would be unified under one loyalty brand, Marriott Bonvoy. Roll-out of the new brand is expected to begin in mid-February and will include conversion of the company's mobile app. Marriott Bonvoy members will be able to book stays, and earn and redeem points across Marriott's entire portfolio of properties in 129 countries and territories.

Resorts Casino Hotel seeks variances from CRDA to expand Landshark Bar & Grill - As reported by **The Press of Atlantic City**, Resorts Casino Hotel has submitted a land-use application to the CRDA seeking approval of three variances which would allow them to increase the dining space at Landshark Bar & Grill, expand parking and post a roof-mounted sign facing the Boardwalk. Resorts plans to increase the venue's capacity from 376 to 520 seats (290 of which would be outside) by building a new 2,300-square-foot deck and converting 2,600 square feet of existing retail space to dining space.

Shipping container hotel among development projects proposed for Atlantic City- According to **The Press of Atlantic City**, recent approval of four Opportunity Zones is bringing in new proposals from developers like Pat Fasano of Asbury Park, interested in pursuing projects in Atlantic City. On Jan. 3, Fasano's proposal to open a hotel that will be constructed from surplus containers was among others presented to Casino Reinvestment Development Authority Land Use Board.