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Atlantic City Gaming Win & Total Casino Revenue

Source: N.J. Division of Gaming Enforcement

Monthly Revenue (Industry, \$ In Thousands)	July 2020	% Change from Prior Year	July 2019	YTD July 2020	% Change from Prior Year	YTD July 2019
Total Gaming Win (includes Internet & Sports Wagering)	\$248,700	-23.1	\$323,324	\$ 1,213,764	-34.2	\$ 1,845,587
Sports Wagering Revenue	\$ 13,766	101.8	\$ 6,823	\$ 60,412	25.8	\$ 48,014
Internet Gaming Win	\$87,493	122.5	\$ 39,316	\$ 510,202	98.7	\$256,775
Casino Gaming Win	\$147,441	-46.8	\$277,186	\$ 643,151	-58.3	\$1,540,798

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	June 2020	Change from Prior Year	June 2019	YTD June 2020	Change from Prior Year	YTD June 2019
AC Expressway						
Total Toll-Paying Traffic Pleasantville Toll Plaza	1,056,851	-42.9%	1,851,718	6,049,516	-36.0%	9,447,739
AC Airport						
Scheduled Service Passengers	24,609	-65.9	72,068	284,386	-49.0	557,985
Charter Passengers	0	-100.0	10,646	16,237	-65.1	46,533
Total Air Passengers	24,609	-70.3	82,714	300,623	-50.3	604,518

In LIGHT of the data above... Internet gaming and sports wagering continued to show strong growth for casino operators, both increasing more than 100% over July 2019. Total casino industry gaming revenue (includes internet gaming win, sports wagering revenue and casino win) is only down 23.1% compared to July 2019, despite a 46.8% decline in land-based casino revenue. Internet gaming and sports wagering are making significant contributions to property revenue, and will play an important role in the ‘new normal’ for casino operators.

Even with public health precautions in place, there was great concern that patrons would not yet feel safe visiting the casinos in person, and there would be an extended ‘COVID drag’ on the industry. Although total casino win for July was down 46.8% below last year, a win of \$147,440,622 shows that a significant number of gamblers were willing to play in person. This indicates the beginning stages of a recovery. As long as it remains safe to operate (i.e. COVID-19 infection rates in the tri-state area continue to decline) operators should expect to see, albeit slowly, a return to a ‘new normal.’

Atlantic City Information

Atlantic City Open Container Law one step closer to passage – As reported by **The Press of Atlantic City**, an executive order by Mayor Marty Small, Sr. in June temporarily allowing the consumption of alcoholic beverages on the Atlantic City Boardwalk is poised to become permanent with the passage of bill A299/S1591. The bill passed without debate through the State Senate Government, Wagering, Tourism & Historic Preservation Committee on July 22 and, according to **The Press of Atlantic City**, was unanimously approved by the state Senate on July 30. Governor Phil Murphy must sign the legislation before it becomes law.

Charter airline signs deal with Atlantic City Airport – As reported by **The Press of Atlantic City**, Miami-based start-up charter airline, Global Crossing Airlines (GlobalX), has entered into a deal to operate a northern charter base of operations from Atlantic City International Airport. GlobalX told the press it intends to operate scheduled flights from Toronto, Montreal and cities in the United States “to support the hotel and casino businesses in Atlantic City, beginning by summer 2021.” Lauren H. Moore, executive director of the Atlantic County Economic Development Alliance told the press that the deal may eventually result in GlobalX leasing 53,000 square feet of airport land to build a 24,000-square-foot maintenance hangar. Maintenance operations would create approximately 75 jobs.

Greater Atlantic City Chamber of Commerce to host monthly virtual industry round tables – According to a **release** from the Greater Atlantic City Chamber of Commerce, the Chamber has launched a virtual round table initiative. Representatives of the Entertainment and Conventions, Real Estate and Financial, and Food and Beverage industries will have the opportunity to virtually meet to discuss challenges and solutions in their respective industries.

Stockton University to work with Showboat Atlantic City to house students – According to a **release** from Stockton University, the university is finalizing an agreement to use up to 400 rooms to house students during the fall 2020 and spring 2021 semesters. This agreement allows Stockton to provide housing for all students who request it while also complying with current state COVID-19 guidelines.

New Jersey Gaming News

Borgata reopened July 26 – As reported by [The Press of Atlantic City](#), Borgata Hotel Casino & Spa reopened at 10 a.m. July 26, after hosting invited guests for three days. The property had originally planned to reopen on July 6, but Governor Phil Murphy’s decision to pause reopening indoor dining led to a decision to postpone. In its first phase of reopening, Borgata expected to bring back 40% of its staff.

New Jersey Racing Commission considers approval for fixed-odds wagering – According to [ROI NJ](#), the New Jersey Racing Commission may be close to approving the use of fixed-odds wagering at Monmouth Park Racetrack. Fixed-odds wagering, used by sportsbooks accepting bets on professional and amateur sporting events, sets the betting odds in advance of the event and does not change them. Pari-mutuel wagering, used at racetracks to accept bets on horse races, sets temporary betting odds which continue to change until the start of a race. The change is expected to impact gaming tax revenues generated from horse racing.

New Jersey sportsbooks accept first legal bets on annual July 4 hot dog eating contest – As reported by [NJ.com](#) and [ESPN](#), for the first time in history, the New Jersey Division of Gaming Enforcement approved betting on the Nathan’s Hot Dog Eating Contest held on July 4. It is the first time licensed sportsbooks in any state have been authorized to accept wagers on the event. Colorado gaming regulators also approved wagering on the event.

New Jersey Assembly to consider bill authorizing poker to be played in poker rooms at horse racetracks - On July 2, Assemblyman Ronald S. Dancer introduced Bill [#A4365](#) to the New Jersey State Assembly. The bill would allow racetracks to offer live poker claiming that “the card game ‘poker’ is a game of skill and bluff and, therefore, is not a form of gambling that is restricted by the provisions of the New Jersey Constitution.” If the bill were passed, the New Jersey Division of Gaming Enforcement would have jurisdiction over poker at racetracks and be responsible for defining the necessary rules and regulations.

National Gaming News

2020 G2E Conference canceled - On July 8 the [American Gaming Association](#) (AGA) announced the cancellation of Global Gaming Expo (G2E) originally scheduled for October 5-8, 2020. The AGA has committed to hosting a series of virtual G2E events through the rest of the year with the next in-person G2E conference to be held October 4-7, 2021.

Bill calls for repeal of federal sports betting taxes – As reported by [Legal Sports Report](#) and commented on by the [American Gaming Association](#), (AGA), a bill, [HR7790](#), has been introduced in the U.S. House of Representatives that would seek the repeal of the federal excise and head taxes on sports betting. In his statement AGA CEO Bill Miller stated the taxes “generate little meaningful revenue for the government. Instead, they place legitimate businesses at a significant competitive disadvantage against illicit gambling operations which skirt taxes and licensing fees. Though originally enacted in the 1950s as a tool to curb illegal gambling, these antiquated federal taxes now give illegal operators a leg up.”

DraftKings first to offer online casino in West Virginia – According to **Online Poker Report**, DraftKings launched the first online casino in West Virginia on July 15. Even limited to just table games, from launch to July 20, the DraftKings online casino saw \$7,979,923 in handle generating \$160,379 in taxable revenue.

Nevada, Indiana and New Jersey gaming regulators approve Caesars/Eldorado merger – As reported by **The Washington Post**, gaming regulators in Nevada unanimously approved the \$17.3 billion merger of Caesars Entertainment and Eldorado Resorts on July 8. As reported by **Calvin Ayre**, Indiana regulators approved the merger later that week on July 10. New Jersey, the last jurisdiction to decide, approved of the merger on July 18, according to **The Press of Atlantic City**. As of July 20, Caesars Entertainment is the largest casino operator in the United States overseeing 55 casinos in 16 states. Until a deal to sell Bally's Atlantic City to Twin River Holdings is finalized, Caesars Entertainment operates four of Atlantic City's nine casinos (Bally's, Harrah's, Caesars and Tropicana). Based on **a report** from the New Jersey Division of Gaming Enforcement and a **three-day hearing**, the New Jersey Casino Control Commission imposed 39 conditions on its approval of the merger, including significant capital investment at the Atlantic City casinos in the next three years and a prohibition against closing any of the properties for at least five years.

NFL Players Association (NFLPA) launches responsible gambling program for former players – According to **Legal Sports Report**, the NFLPA will be the first major league sports organization in the United States to launch a problem gambling education and awareness initiative.

Hospitality & Tourism News

American Airlines reports 90% revenue loss for second quarter 2020 – As reported by **Travel Weekly**, American Airlines recorded a \$2.06 billion net loss in the second quarter of 2020 due to COVID-19 related cancellations and declines in consumer demand. American Airlines CEO Doug Parker said the pandemic is giving American the opportunity to make changes to its fleet, network and managerial staffing that had yet to be done since the company's merger with U.S. Airways in 2013. He expected the changes to give American a competitive advantage once the industry recovers.

American Hotel and Lodging Association expands Stay Safe initiative with new training course for hospitality personnel – As reported by **Lodging Magazine**, the American Hotel & Lodging Association (AHLA) in partnership with the American Hotel & Lodging Educational Institute has developed an online course, "**COVID-19 Precautions for Hotels**" to assist hospitality operators in training staff on enhanced safety and cleanliness guidelines needed to operate safely amid the pandemic. This is an extension of **Stay Safe** guidelines released by the AHLA.

Amusement parks allowed to reopen in New Jersey – As reported by **NJ.com**, outdoor amusement and water parks in New Jersey were allowed to reopen to the public on July 2. Guidelines provided by New Jersey Governor, Phil Murphy mandated the wearing of masks except when participating in water activities and limited park capacity to 50%. To ensure social distancing, operators used 'blue dots' to mark six foot intervals for patrons waiting on lines and limited ride capacities. Park staff sanitize rides and high touch surfaces frequently.

National Restaurant Association submits ‘Blueprint for Restaurant Revival’ to Congress – As reported by **Nation’s Restaurant News**, the National Restaurant Association submitted a ‘**Blueprint**’ to Congress seeking legislation to support both short-term relief and long-term rebuilding of the restaurant industry. According to the association, in the first three months of the pandemic (March – May 2020) restaurant and food service sales may have fallen \$120 billion in comparison to the same period in 2019. Eight million of an estimated 15.6 million food service industry workers may have been laid off or furloughed.

Tri-State imposes travel restrictions on visitors - According to a **joint release** from New Jersey Governor Phil Murphy, New York Governor Andrew M. Cuomo, and Connecticut Governor Ned Lamont, the tri-state area are imposing a travel advisory. Visitors to New Jersey, New York or Connecticut from states with a significant spread of COVID-19 (a positive COVID-19 test rate higher than 10 per 100,000 residents or have a 10% or higher positivity rate over a seven-day rolling average) are being asked to quarantine for 14 days after leaving that state. *As of August 4, the **travel advisory** applied to 35 states including Maryland.*