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Atlantic City Gaming Win & Total Casino Revenue

Source: N.J. Division of Gaming Enforcement

Monthly Revenue (\$ In Thousands, Casino Industry)	October 2018	Change from Prior Year	October 2017
Total Gaming Win (includes Internet & Sports Wagering)	\$ 239,088	15.8 %	\$ 206,386
Sports Wagering Revenue	\$ 11,686	-	-
Internet Gaming Win	\$ 26,754	30.1 %	\$ 20,568
Casino Gaming Win	\$ 200,648	8.0%	\$ 185,818

Year to Date October (\$ In Thousands, Casino Industry)	2018	Change from Prior Year	2017
Total Gaming Win	2,387,224	6.3%	2,245,585

Industry Income Statistics* (\$ In Thousands)	Quarter Ended September 30, 2018	Change from Prior Year	Year to Date September 30, 2018	Change from Prior Year
Industry Total Net Revenue	\$ 919,899	17.8%	\$ 2,202,144	6.4%
Gross Operating Profit	\$ 213,743	-15.3%	\$ 508,704	-9.3%

*The DGE has revised the format of their quarterly reports in response to recent changes in financial reporting methodology

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	October 2018	Change from Prior Year	October 2017	YTD October 2018	Change from Prior Year	YTD October 2017
AC Expressway						
Total Toll-Paying Traffic Pleasantville Toll Plaza	1,605,694	15.7 %	1,387,484	16,348,286	3.8%	15,752,920
AC Airport						
Scheduled Service Passengers	80,775	19.3 %	67,727	869,040	5.1%	827,215
Charter Passengers	9,410	0.3%	9,379	92,116	5.5%	87,338
Total Air Passengers	90,185	17.0%	77,106	961,156	5.1%	914,553

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

New Jersey state legislators introduce ten-bill package to promote apprenticeship programs statewide - As reported by [NJBiz](#), New Jersey state senators have introduced a package of ten bills focused on increasing the availability and viability of apprentice programs in the state. Two of the ten bills, Senate Bills **3061** and **3062**, create tax incentives for businesses to participate in apprenticeship programs and to hire apprentices. Other bills in the series waive tuition fees for apprenticeship courses (**3063**), established mentorship programs (**3068**) and establish a youth-apprenticeship pilot program (**3065**).

New Jersey state legislators propose legislation legalizing marijuana - As reported by [NJ.com](#), state legislators introduced Assembly Bill **A4497** "New Jersey Cannabis Regulatory and Expungement Aid Modernization Act" on November 26. The bill, and a complementary bill **A4498**, would legalize the possession and personal use of one ounce or less of marijuana for people at least 21 years old and address the "expedited expungement" of arrests and convictions for individuals possessing or distributing up to an ounce of marijuana. The bill also makes provision for a 12% tax on the sale of Marijuana and an additional 2% excise tax for municipalities hosting cannabis businesses. A five-person Cannabis Regulatory Commission would also be created to oversee the state's cannabis industry.

Atlantic City Information

CRDA approves 2019 operating budget - As reported by [The Press of Atlantic City](#), on November 20, the Casino Reinvestment Development Authority (CRDA) board approved a \$6.7 million operating budget for 2019. The Marketing, and Convention Center Division budgets, which were previously part of the CRDA's operating budget, will have independent budgets of \$5.14 million and \$9.475 million respectively. The decision to separate out these budgets and fund them at a higher rate demonstrates the CRDA board's commitment to marketing and promoting the city.

Harrah's announces \$56 million renovation project - As reported by [Casino.org](#), Harrah's parent company Caesars Entertainment announced that the property would undergo a \$56 million upgrade. The project, which would include the renovation of 507 of the hotel's 2,500 total guest rooms, is anticipated to be complete in time for the 2019 summer season.

James Candy Co., maker of famous Fralinger's Salt Water Taffy, files for bankruptcy- As reported by [The Press of Atlantic City](#), for the first time in its 138-year history James Candy Co. has filed for Chapter 11 bankruptcy protection. Representatives of James Candy Co. cited a rainy 2018 tourist season and declining visitation and foot traffic in Atlantic City since 2006 as factors contributing to the company's decision to reorganize.

Shuttered Atlantic Club may have a buyer - According to [The Press of Atlantic City](#), Advanced Consulting Inc., is currently negotiating the purchase of the Atlantic Club. The New York-based real estate firm is said to be planning to turn the property into a non-gambling hotel and resort.

South Jersey Gas celebrates opening of Atlantic City headquarters with ribbon cutting - As reported by [SNJToday](#), on November 14 local officials and members of South Jersey Gas celebrated the opening of the company's new headquarters with a formal ribbon cutting.

Tennessee Avenue Beer Hall opens for business - As reported by [The Press of Atlantic City](#), on November 21, Tennessee Avenue Beer Hall became the fourth business to open on the city's "Orange Loop." Mayor Frank Gilliam cut the ribbon to mark the grand opening of the venue which is the latest in a series of small businesses hoping to redevelop and revitalize Tennessee Avenue and surrounding blocks.

New Jersey Gaming News

Hard Rock announces plans to open sportsbook in first quarter 2019 - As reported by [The Press of Atlantic City](#), representatives of Hard Rock International announced in a statement to the press that Hard Rock Hotel & Casino Atlantic City would partner with Malta-based, Gaming Innovation Group to offer sports betting. The sportsbook, anticipated to open in first quarter 2019, would include online wagering, over-the-counter sports betting and self-service terminals.

New Jersey officials discuss sports betting integrity - As reported by [NJOnlineGambling](#), on November 18 New Jersey officials, including Attorney General Gurbir Grewal, state Director of Gaming Enforcement David Rebeck, plus GeoComply CEO David Briggs, Resorts CEO Mark Giannantonio, and representatives from DraftKings held a press event showcasing the latest technology behind sports betting integrity in the state.

Resorts opens permanent sportsbook in partnership with DraftKings- As reported by [The Press of Atlantic City](#) and [LegalSportsReport](#), Resorts and DraftKings have partnered to operate a 5,000 square-foot lounge as a permanent feature of the casino. The "DraftKings Sportsbook at Resorts" opened to the public on November 20.

National Gaming News

DraftKings to operate land-based sportsbook at Scarlet Pearl Casino resort in Mississippi - According to [LegalSportsReport.com](#), on November 12 representatives of DraftKings announced they had reached an agreement with Scarlet Pearl Casino Resort in D'Iberville, Mississippi to open a land-based sports book. DraftKings' first land-based sportsbook opened to the public on November 16.

Major League Baseball names MGM Resorts International an "Official Gaming Partner" - according to a November 27 [press release](#) reported on by [NJ Gambling Sites](#), MGM has entered into an agreement with MLB to become the league's official gaming and entertainment partner. The agreement, similar to previously announced arrangements with the NBA and NHL, will grant MGM access to official league data and media platforms. Of the four major professional sports leagues in the US only the NFL has yet to enter an agreement with MGM.

Mississippi, like New Jersey and Nevada, sees sports betting revenue declines in October despite increased handle - As reported by [CalvinAyre.com](#), Mississippi sportsbooks saw sports wagering win decline by over 75 percent in October. Mississippi's solely land-based sportsbooks still saw a modest rise in handle for the month, but nowhere near the growth seen in New Jersey with the introduction of mobile sports wagering.

Nevada sportsbooks see steep cut in October sports betting revenue, slight reduction in handle - As reported by [LegalSportsReport.com](#), Nevada sportsbooks saw football wagering win decrease by \$18 million month-to-month in October; resulting in \$29 million overall win statewide compared to a record high \$56 million in September. Handle for the month was \$528 million, slightly down from September's record \$571 million, but the second-best October on record for the state.

Pennsylvania accepts first legal sports wagers - As reported by [LegalSportsReport.com](#), Hollywood Casino at Penn National Race Course accepted Pennsylvania's first legal sports bets on November 15. Pennsylvania is the seventh state, after Nevada, New Jersey, New Mexico, Delaware, Mississippi, and West Virginia, to offer legal sports wagering. In addition to Hollywood Casino, five other Pennsylvania Casinos have applied for sports betting licenses, Harrah's Philadelphia, Parx Casino, Rivers Casino Pittsburgh, SugarHouse Casino and Valley Forge Casino.

Rhode Island Launches legal sports betting at Twin River Casino - As reported by [LegalSportsReport.com](#), Rhode Island began taking legal sports wagers at Twin River Casino in Lincoln on November 26. Rhode Island's sports betting, operated by the state lottery in partnership with IGT and William Hill, is expected to generate approximately \$23.5 million in revenue in the current fiscal year. Twin River Casino plans to open a second sportsbook at their location in Tiverton.

Sports Wagering Integrity Monitoring Association (SWIMA) created to oversee US sports betting - As reported by [LegalSportsReport.com](#), on November 27, representatives of Caesars and MGM announced their membership in the Sports Wagering Integrity Monitoring Association (SWIMA). The newly launched nonprofit, modeled after Europe's [ESSA](#), is "designed as a collaborative entity to partner with state and tribal gaming regulators; federal, state and tribal law enforcement; and other various stakeholders to detect and discourage fraud and other illegal or unethical activity related to betting on sporting events." The American Gaming Association (AGA) applauded the creation of the association in a November 27 [press release](#).

Hospitality & Tourism News

Airbnb-style rentals increase in South Jersey - As reported by [The Press of Atlantic City](#), Airbnb recorded 140,318 guest arrivals in Atlantic, Cape May and Ocean counties this summer a substantial increase over the 83,037 total guest arrivals in summer 2017. The increased local volume of Airbnb and Airbnb style rentals are evidence of evolving national lodging trends. Rather than being a direct competitor to traditional lodging offerings, Airbnb and similar companies provide consumers with expanded options to suit their travel needs. While South Jersey legislators were divided over whether to impose hotel and motel occupancy fees and various municipal taxes and fees on this style of accommodation, most viewed the trend as a positive for the region.

Generation-Z interested in hospitality careers - According to a **study** commissioned by the American Hotel & Lodging Association, over 50 percent of Gen Z's are interested in pursuing careers in hospitality. With 61 million individuals born between mid-1990s and early 2000s, Gen Z is the largest generation in the US; 45 percent of Gen Z is already working part time. When looking for employment, individuals from Gen Z prioritize employers who treat their employees well, foster a fun and friendly environment and are socially/ethically responsible.

U.S. hotels report 3.6 percent profit per room increase year-over-year in October 2018 - According to **Lodging.com**, U.S. hotels reached their highest profit per room for the year in October with a RevPAR of \$126.34, \$25 higher than October 2017 (\$101.36). In addition to rooms revenue (up 3.2 percent), revenue from food and beverage (up 2.2 percent), and conference and banqueting (up 2.5 percent) also increased on a per-available-room basis. Revenue increases were tempered by increases in labor (up 0.1 percentage point to 31.5 percent of total revenue) and overhead (up 0.3 percentage points to 20.9 percent of total revenue) costs. Profit margins for the month were 42.8 percent.