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Atlantic City Gaming Win & Non-Gaming Revenue

Source: N.J. Division of Gaming Enforcement

Month of September (Current Operators, \$ In Thousands)	October 2017	Change from Prior Year	October 2016
Total Gaming Win (includes Internet)	\$ 206,386	2.1%	\$ 202,186
Internet Gaming Win	\$ 20,568	23.4%	\$ 16,666

Third Quarter Ended September 2017 & 2016 (Current Operators, \$ In Thousands)	Q3 - 2017	Change from Prior Year	Q3 - 2016
Total Revenue (Gaming & Non-Gaming)	\$ 1,029,575	6.2%	\$ 969,800

For the Nine Months Ended September 2017 & 2016 (Industry, \$ In Thousands)	September 30, 2017	Change from Prior Year	September 30, 2016
Casino Licensees:			
Casino	\$ 1,962,767	1.5%	\$ 1,933,244
Rooms	\$ 304,492	-4.9%	\$ 320,251
Food & Beverage	\$ 327,140	-2.3%	\$ 334,964
Entertainment & Other	\$ 128,434	8.0%	\$ 118,893
Casino Licensees Total Revenue	\$ 2,722,833	0.6%	\$ 2,707,352
Third Party Business Sales	\$ 154,828	-6.0%	\$ 164,725
Combined Sales	\$ 2,877,661	0.2%	2,872,077

Atlantic City Statistical Transportation Data

Source: South Jersey Transportation Authority

Travel Mode	Jan-September 2017	Change from Prior Year	Jan-September 2016
AC Expressway			
Total Toll-Paying Traffic Pleasantville Toll Plaza	14,365,436	-1.8%	14,628,713
AC Airport			
Scheduled Service Passengers	759,488	-13.7%	879,753
Charter Passengers	77,959	28.9%	60,476
Total Air Passengers	837,447	-10.9%	940,229
Casino Buses			
Casino Buses to A.C.	45,470	-6.0%	48,365
Casino Bus Passengers	782,583	-11.7%	885,760
NJ Transit Rail Service to A.C.			
Rail Passengers	764,639	-9.9%	848,518

Atlantic City Information

Atlantic City Celebrates Arrival of South Jersey Gas With ‘Topping Off’ Ceremony - As reported by [snj.com](#), on Nov. 15 Atlantic City Officials and representatives from South Jersey Gas held a ‘topping off’ ceremony to celebrate the company’s new Atlantic City headquarters. All attendees signed the building’s final beam before workers lifted it into place at the top of the structure’s steel frame. The new 75,000 square foot headquarters will house approximately 200 South Jersey Gas employees. It is part of the Gateway Project that includes a new Stockton University campus.

Atlantic City Elects New Mayor - As reported by [The Press of Atlantic City](#), on Nov. 7, Atlantic City voters elected Democratic candidate Frank Gilliam Jr. as the next mayor of Atlantic City. Gilliam has been an Atlantic City Council member since 2009.

Boardwalk Hall to Receive Facelift - As reported by [The Press of Atlantic City](#), the city’s historic landmark, built in 1929, has been undergoing renovation. The latest project, to update and modernize the building’s 33-year-old lobby, will cost an estimated \$10 million and be completed in fall 2018. The update will include the creation of event and museum exhibit space, as well as the replacement of entry stairs and escalators dating to mid-1950.

Boraie Development LLC Announces Residential Project - As reported by [The Press of Atlantic City](#), Boraie Development LLC, announced an \$81 million residential complex project called The Beach at South Inlet. The project, on 4-acre site bound by Atlantic, Pacific, New Jersey and Connecticut avenues, will add 250 new market-rate apartments to the city’s housing stock. Mayor-elect Frank Gilliam recognized the project (the first market-rate development in at least 25 years) as key to increasing the resort’s population and rebuilding the city. According to Wasseem Boraie, 50,000 people work in Atlantic City, however only 5 percent of these workers live in Atlantic City. The new complex is expected to open in summer 2018.

Hard Rock Continues to Transform Shuttered Taj - As reported in continuing coverage from [The Press of Atlantic City](#), contractors, on behalf of Hard Rock International and project investors, continue to strip a “hell of a theme” from the landmark structure. On Nov. 14, as Hard Rock revealed its first sign, project partner Joe Jingoli indicated that most of the interior demolition was complete and the exterior demolition was well underway. Matt Harkness, president of Hard Rock Hotel & Casino Atlantic City, told [The Press](#) that the erection of the sign marked a transition from the demolition to building phase of the property’s transformation.

Keating & Associates LLC Acquires the Rights to Build Next To the Former Revel - As reported by [The Press of Atlantic City](#), Keating & Associates LLC has acquired the rights to build a 30-story mixed-use residential/retail tower alongside the shuttered Revel Casino Hotel. The New York-based company previously made a \$225 million offer for the purchase of the Revel, which current owner, Glenn Straub, denied. Keating & Associates hopes to convince city zoning officials to change the zoning of the project, Metropolitan at Revel Beach, from a maximum 30 floors to 40 to 50 floors, allowing for additional commercial and retail development.

Trump Plaza to be Razed - As reported by [CBS Philly](#) and [The Press of Atlantic City](#), The Trump Plaza Hotel Casino, which closed in Sept. 2014, is set to be demolished within the next four months. The

property, located at the foot of the Atlantic City Expressway, is a prominent fixture along the Atlantic City Boardwalk occupying prime real estate at the center of the city. The casino and main hotel tower will be demolished; however, the former Holiday Inn tower and 2,658-parking-space garage at the Plaza will remain. Speculation continues as to the future use of the space including the possibility of developing it as a “greenscape” providing convenient public access to the beach and Boardwalk.

Local Gaming News

Borgata to Open Atlantic City’s First Sports Book - As reported by [Casino.org](#), if the US Supreme Court rules in favor of New Jersey, Borgata will be in a position to open Atlantic City’s first sportsbook. In anticipation of a favorable resolution of the sports betting case now before the U.S. Supreme Court, the Borgata is developing a \$7 million sports book.

James Plousis Appointed Chairman of the New Jersey Casino Control Commission (CCC) Replacing Matthew Levinson – As reported by [The Press of Atlantic City](#), Matthew Levinson, Chairman of the CCC, will not be reappointed to the office he has held since 2012. On Thursday, Nov. 9, Governor Chris Christie announced that James Plousis, presently the chairman of the New Jersey Parole Board, would be Levinson’s successor.

Pennsylvania iGaming Market Likely to Benefit New Jersey - As reported by [NJGamblingSites.com](#), New Jersey is likely to benefit from, rather than be cannibalized by, Pennsylvania’s newly legalized online gambling industry. According to expert Rodger Gros, the high likelihood of player pooling and the reputation of Atlantic City are reasons to anticipate this expansion will result in growth rather than decline.

National Gaming News

American Gaming Association Names New Chairman- In a Nov. 9 [press release](#) the American Gaming Association (AGA) announced that Tim Wilmott, CEO of Penn National Gaming, Inc. would succeed Jim Murren, Chairman and CEO of MGM Resorts, as Chairman of the Board of Directors. Jim Murren has led the AGA board since 2014. Tim Wilmott has been an executive Committee member and Director of the Board since 2015. He will serve a two-year term beginning in January 2018.

Impact of Pennsylvania Gaming Expansion - As reported by [OnlinePokerReport.com](#), the gaming industry is still ‘unpacking’ the full impact of Pennsylvania’s 900-page gaming expansion bill. As the industry becomes more knowledgeable of the bill, elements have come to light such as a provision that will allow developers to move forward with construction of [The Live! Hotel and Casino Philadelphia, which has been held up since 2014](#).

Maryland Lottery and Gaming Agency Releases October Numbers - As reported by [CalvinAyre.com](#), the Maryland Lottery and Gaming Commission reported near record gaming revenue for the month of October. The state’s six casino operators generated gaming revenue of \$133.2 million up almost 40 percent from October 2016. MGM National Harbor (opened December 2016) realized \$52 million for the month while the state’s five other casinos reported a year-on-year revenue decline of nearly 15 percent.

New Hampshire Fails to Pass Gambling Legislation - As reported by [OnlinePokerReport.com](#), New Hampshire Legislators voted 23-0 against [HB562](#) a ‘placeholder’ bill seeking to legalize online gambling in the state. New Hampshire did however pass legislation last July authorizing online lottery sales, which

will go live at the beginning of 2018. Future consideration of online gambling legislation will likely rely on the performance of the online lottery.

New Jersey Files Final Brief Before Supreme Court Hearing on the Sports Betting Case- As reported by [LegalSportsReport.com](#), the state of **New Jersey** and the **NJ Thoroughbred Horsemen's Association** have filed their final briefs before oral arguments begin in the U.S. Supreme Court on Dec. 4. The State of New Jersey will argue that PASPA, the federal legislation prohibiting sports betting, is unconstitutional and should be repealed. The NCAA and the major pro sports leagues continue to support PASPA. The U.S. Supreme Court is expected to reach a decision in the first half of 2018.

Voters in Maine Reject Proposal for Third Casino - According to the [New Jersey Herald](#), a referendum to permit the construction of a third casino in Maine was defeated by more than 80 percent of the state's voters. Maine's first casino opened in 2003 and a second opened in 2010.

Hospitality News

Las Vegas Flight Bookings in Decline Following October Attack - According to [Travel Weekly](#), flight bookings declined in the three weeks following the October 1 mass shooting in the city. Reservations declined by 21 percent for domestic and 16 percent for international flights. Year-over-year bookings for November 1 through April 30 are down 14 percent.

New Study Reveals Tax Reform Could Be Worth \$131.7 Billion for the Hotel Industry - In a Nov. 9 [press release](#), the American Hotel and Lodging Association (AHLA) announced the results of a recent [study](#) conducted by Oxford Economics. Oxford Economics predicts that tax policy changes currently before Congress could result in a tax cut of \$1.5 trillion over 10 years, which could cause real GDP growth to accelerate to 3.0% in 2018. Consumer and business travel-related spending could increase by \$57 billion due to these tax cuts. This increased spending/demand could generate \$22.3 billion in additional wages and salaries for U.S. workers and increase local tax revenues by \$3.9 billion. The total economic impact of this tax reform could be as much as \$131.7 billion.

Resort Fee Controversy Continues - As reported by [HotelManagement.net](#), resort fees continue to be a source of conflict between hotels and consumer groups. While the Federal Trade Commission found, in 2015, that resort fees are not required to be included on advertised hotel rates, hotel groups like Wyndham Worldwide Corporation and Marriot International continue to face complaints and lawsuits from consumers that have yet to be resolved.

Sonoma County Begins Campaign to Bring Back Tourists After October Wildfires- As reported by [CBS.com](#), Tourism businesses in Sonoma County, California have begun a campaign to attract visitors back to the area following October's devastating wildfires. Officials with Sonoma County Tourism want guests to know that damage from the wildfires is not as widespread as it may appear in the news. The wild fires damaged about 10 percent of Sonoma County. The areas affected were mostly rural or clustered around Santa Rosa. Many of the county's businesses and all but one of the county's 425 wineries are open for business.

The American Hotel & Lodging Association (AHLA) in Partnership With the World Wildlife Fund (WWF) and The Rockefeller Foundation Completes Program to Reduce Food Waste- According to a Nov. 13 [press release](#) from the AHLA, the Hotel Industry, with support from the WWF and The Rockefeller Foundation, has completed a 12-week pilot program to reduce food waste. After testing several waste reduction strategies, the project partners are releasing a [toolkit](#) to help hotel properties and brands meet measurable, time-bound goals to reduce food waste.