LIGHT Snapshots

July 2019

A publication of the Lloyd D. Levenson Institute of Gaming, Hospitality & Tourism at Stockton University
Rummy Pandit, L.P.D., M.B.A., C.H.A., Executive Director

Atlantic City Gaming Win & Total Casino Revenue

Source: N.J. Division of Gaming Enforcement

Monthly Revenue (Industry, $ In Thousands)	**July 2019**	**% Change from Prior Year**	**July 2018**	**YTD July 2019**	**% Change from Prior Year**	**YTD July 2018**
Total Gaming Win (includes Internet & Sports Wagering)	323,324	7.8	299,836	1,845,587	18.4	1,558,196
Sports Wagering Revenue	6,823	-	1,617	48,014	-	2,797
Internet Gaming Win	39,316	51.8	25,897	256,775	55.2	165,438
Casino Gaming Win	277,186	1.8	272,321	1,540,798	10.9	1,389,962

Quarterly Revenue (Industry, $ In Thousands)	**Q1 2019**	**% Change from Prior year**	**Q1 2018**	**YTD March 31, 2019**	**% Change from Prior Year**	**YTD March 31, 2019**
Casino	$408,421	11.35	$366,775	$408,421	11.35	$366,775
Rooms	$119,612	22.14	$97,923	$119,612	22.14	$97,923
Food & Beverage	$126,166	24.79	$101,101	$126,166	24.79	$101,101
Entertainment & Other	$50,439	46.5	$34,428	$50,439	46.5	$34,428
Casino Licensees Total Revenue	**$704,638**	**17.6**	**$619,2246**	**$704,638**	**17.6**	**$619,2246**

Atlantic City Casino Hotel Lodging

Source: N.J. Division of Gaming Enforcement

Casino Hotel Lodging Statistics For the Period Ended March 31, 2019	**Q1 2019**	**Q1 2018**	**YTD 2019**	**YTD 2018**
Occupancy percentage	72.6	77.9	72.6	77.9
Average Daily Room Rate (ADR)	$125.78	$121.47	$125.78	$121.47
Revenue Per Available Room (RevPAR)*	$91.32	$94.63	$91.32	$94.63

*** RevPAR= ADR X Occupancy Percentage**

Atlantic City Statistical Transportation Data

Source: South Jersey Transportation Authority

Travel Mode	**June 2019**	**Change from Prior Year**	**June 2018**	**YTD June 2019**	**Change from Prior Year**	**YTD June 2018**
AC Expressway						
Total Toll-Paying Traffic Pleasantville Toll Plaza	1,851,718	4.1%	1,779,386	9,447,739	5.9%	8,923,940
AC Airport						
Scheduled Service Passengers	72,068	-5.5%	76,220	557,985	3.9%	537,140
Charter Passengers	10,646	2.6%	10,377	46,533	-10.6%	52,072
Total Air Passengers	**82,714**	**-4.5%**	**86,597**	**604,518**	**2.6%**	**589,212**

Note: NJ Transit Rail Service to A.C. suspended to install federally mandated Positive Train Control (PTC) equipment. Service expected to resume May 12, 2019

In LIGHT of the data above…

In July 2018, the first full month of operations for all 9 casinos, 6 of the 7 existing properties saw a reduction in revenues totaling about $20 million. This reduction was offset by the two new entrants, which earned revenues of approximately $50 million in the same period, resulting in a $30 million increase in Atlantic City's total gaming revenue as a destination.

July 2019 continues a positive growth trend for the destination – total gaming revenue (excluding racetracks) is up 7.8% when compared to July 2018. More importantly, 3 of the 7 existing properties saw an increase in revenue as did the 2 new entrants.

Not only is the pie growing, the slices are getting larger as well!

Atlantic City Information

25th anniversary Warped Tour concert success for Atlantic City - as reported by **The Press of Atlantic City**, an estimated 60,000 people attended the two-day punk rock festival. A two-hour rain delay on the Saturday afternoon of the concert also provided an unexpected revenue bump to local businesses.

Casino Reinvestment Development Authority gives preliminary approval to plan that would renovate parts of Jim Whelan Boardwalk Hall for use by the Atlantic City Board of Education - As reported by **The Press of Atlantic City**, on July 16 members of the Casino Reinvestment Development Authority (CRDA) Board voted to preliminarily approve spending $10.4 million to renovate part of Jim Whelan Boardwalk Hall to provide rent-free office space to the Atlantic City Board of Education. The Board of Education currently rents office space at the City Center Building (1300 Atlantic Avenue) for $650,000 a year.

Margate committee seeks community support for boardwalk construction project - According to **The Press of Atlantic City**, the Margate Boardwalk Committee is seeking community support for the construction of an 8,500-foot-long, 27-foot-wide wooden walkway between Ventnor and Longport with an estimated cost of $24 million. A public presentation of the project included findings of a safety study conducted by Stockton University professor, Marissa Levy.

Miss America leaves Atlantic City for Connecticut - According to a **press release** from the Miss America Organization (MAO), the 2020 Miss America Competition will be held on Thursday, Dec. 19, 2019 at Mohegan Sun in Uncasville, Connecticut. The announcement represents both a date and location change for the pageant which has traditionally been held in Atlantic City in the week following Labor Day and televised live on Sunday evening. Most recently broadcast on ABC, the 2020 pageant will air on NBC.

National Aviation Research and Technology Park opens first building - According to a **press release** from Stockton University, the first building at the National Aviation Research and Technology Park (NARTP) in Egg Harbor Township opened on July 2 with multiple tenants. NARTP, an auxiliary organization of Stockton University, is dedicated to facilitating research and development, innovation, and commercialization of emerging aviation technologies. Tenants in the new park include General Dynamics Information Technology, Thunderbolt Software, LLC, the FAA LIFT Lab, the NARTP office, and the Atlantic County Institute of Technology Aviation Program.

Stockton University Atlantic City proposed as site of New Jersey Coastal Resiliency Institute – According to a **press release** from Stockton University, Department of Environmental Protection Commissioner Catherine McCabe told attendees at the 2019 State of New Jersey Beaches forum at Stockton University Atlantic City on Monday, July 1 that New Jersey needs a strategic plan for climate change. The New Jersey Economic Development Authority is expected to complete a feasibility study by the end of August considering the creation of a Coastal Resiliency Center as part of Stockton University's Atlantic City campus. While a full center would take more than three years to develop and build, consultant James Rutala said the university could establish a Coastal Resiliency Incubator at the Stockton Atlantic City campus by late 2019 or early 2020.

New Jersey Gaming News

Developer continues to pursue standalone sportsbook at the former Garden State Park Racetrack in Cherry Hill, NJ - As reported by **Casino.org**, the current owners of the former Garden State Park Racetrack, Cherry Hill Towne Partners (CHTP), are pursuing partnership with a licensed sports betting operator in the state to open a stand-alone sportsbook. As the site of a former racetrack, Garden State Park is eligible under New Jersey gaming regulations to offer sports betting. However, Garden Park Racing (GPR), former owners of the racetrack, claim a 20-year-old restrictive covenant prohibits "gaming of any sort … at any time by any party other than" the ownership group and its affiliates. CHTP has sued GPR and its parent Greenwood Gaming (owner of Parx Casino in Bensalem, Pennsylvania – 20 miles from Cherry Hill, NJ) asking for a judgement that would allow sports betting at the site. A decision is pending.

Golden Nugget may become first land-based casino with internet gaming revenues matching or exceeding land-based gaming revenues - As reported by **The Press of Atlantic City**, Golden Nugget, an early adopter and innovator in the internet gaming market, may be the first land-based casino operator to see internet gaming revenues meet or surpass land-based gaming revenues. While this milestone is not expected to be reached in the busy summer months, as the weather cools, the gap between internet and land-based gaming revenue may continue to close. In four of the first five months of 2019, revenues from Golden Nugget's online gaming operations were within $3.5 million of revenues from brick-and-mortar operations.

Increased casino revenue to impact PILOT and IAT payments- As reported by **The Press of Atlantic City**, the city's casino industry is on track to exceed a $3 billion revenue benchmark, triggering a change in funding for investment alternative taxes (IAT) and payments in lieu of taxes (PILOT). While PILOT payments are expected to increase from $132.6 million to $152.6 million in Fiscal year 2020, IAT payments will be diverted to credit. For two years, the Atlantic City municipal government will need to do without the $14 million to $15 million a year contribution made by casinos. Following the two year 'offset,' IAT payments will return for another five years.

National Gaming News

DraftKings named Authorized Gaming Operator by Major League Baseball- As reported by **Legal Sports Report**, Draftking and Major League Baseball (MLB) have entered into an agreement naming DraftKings as an Authorized Gaming Operator. This is the second such deal for MLB, which signed a similar deal with MGM in late 2018.

MGM purchases player tracking technology from Alliance of American Football - As reported by **Legal Sports Betting**, MGM Resorts, an investor in the failed **Alliance of American Football (AAF)** league, has purchased the real-time player technology initially developed for the AAF's official app. MGM, which currently operates sportsbooks in both Nevada and New Jersey, sees the technology as an opportunity to develop play-by-play sports betting, something that has so far been beyond the reach of sports betting platforms.

Mohegan Gaming Entertainment (MGE) and iPro Inc. announce new mobile and online gaming platform Mohegan Sun Beyond - According to a **press release** from Mohegan Gaming & Entertainment, operators of Mohegan Sun casinos and resorts, the company has partnered with iPro Inc to develop a new mobile application and online product, Mohegan Sun Beyond. The new app/platform will feature free-to-play casino-style games and a sportsbook. App users will earn Momentum loyalty dollars for future visits to Mohegan Sun casinos and resorts. Future planned expansions for Mohegan Sun Beyond include the launch of real-money betting and integration of hotel & resort services such as online booking, mobile check-in and the ability to unlock the hotel room door with a mobile phone.

Nevada casinos see record sports betting handle in June 2019 - As reported by **Legal Sports Report**, Nevada sportsbook operators recorded a record $322 million sports betting handle in June 2019 (highest June handle in history). Despite record handle, Nevada sportsbooks held less in June 2019 than June 2018, $16.6 million for the month compared to $20.2 million.

Pennsylvania casinos launch online offerings July 15 - As reported by **Online Poker Report** Pennsylvania casinos launched internet-based gambling on July 15. Hollywood, Parx and Sugarhouse each have active online casinos. Harrah's, Valley Forge, Mount Airy, Mohegan Sun Pocono, and Presque Isle have plans to launch online gambling platforms before year end.

William Hill expected to profit from partnership with Eldorado Resorts - As reported by **Online Gambling**, partnerships have been a key piece of William Hill's U.S. business. Through strategic partnerships with gaming operators, including New Jersey's Monmouth Park Racetrack, the National Hockey League (NHL) and International Gaming Technology (IGT), William Hill has expanded its U.S. business beyond Nevada and into multiple states. Its biggest partnership to date, with Eldorado Resorts in September 2018, is set to expand the company's business even further following Eldorado's merger with Caesars Entertainment.

Regional Hospitality & Tourism News

New Jersey Highlands Council announces mobile map and enhanced signage for New Jersey Highlands Trail - According to a **press release** by the Highlands Council, the council voted to award a contract to the New York-New Jersey Trail Conference (NY/NJ Trail Conference) to provide digital mapping and create a trail and roadside signage system for the New Jersey portion of the Highlands Trail. The 180-mile trail, created in 1993, runs from the Delaware River in New Jersey to the Hudson River in New York, just north of Bear Mountain and is designed to showcase the natural beauty of the Highlands and emphasize its critical importance to the region.

Ultimate Gaming Championship's Halo Classic moves to Jim Whelan Boardwalk Hall - According to **The Press of Atlantic City**, The Ultimate Gaming Championship's Halo Class is scheduled for September 6-8 has been moved from Bally's Atlantic City to Jim Whelan Boardwalk Hall to accommodate an increase in the number of participants. The event is the third co-organized or co-sponsored by INGAME, which has a public-private partnership with the Casino Reinvestment Development Authority and is part of Atlantic City's progress in becoming an esports destination.

National/International Hospitality & Tourism News

Destination Marketing becomes Destination Management for locations faced with potential for overtourism - According to **Travel Weekly**, some attendees at the U.S. Travel Association's annual IPW conference expressed concern that tourism success measured solely in numbers of visitors and their spending risked overlooking the effects of overtourism. Overtourism, the potentially negative impact of tourist presence on the environment and the quality of life for residents, has become an increasing concern for Destination Marketing Organizations (DMOs). Some DMOs, particularly in Europe and most notably in the Netherlands, have shifted their focus from quantity to quality. By focusing on the economic and social impacts rather than the total number of visitors, DMOs hope to minimize the negative and amplify the positive contributions of the tourism industry in their communities.

Economic outlook for restaurants remains positive for second half of 2019 - According to the **National Restaurant Association**, customers are expected to remain in a relatively good financial position through the second half of 2019, which is a positive for restaurant businesses. Experts speaking for the National Restaurant Association note a slowing in the national economy through the first half of 2019. Gross Domestic Product (GDP) expansion was the weakest two-quarter growth in more than a year, but they stress this is not evidence of a contracting economy. Continued job growth (projected 1.6 percent in 2019) and a trend in higher household wealth (total household net worth toped $108 trillion in early 2019, 57 percent above pre-recession peak in 2007), are expected to have a positive impact on the current and future financial decisions of consumers. Eating and drinking place sales rose in the first five months of 2019 with total sales surpassing summer 2018, the previous seasonally-adjusted record high.

Major league sports venues in Las Vegas expand amenities and experiences for both locals and tourists - According to **Travel Weekly**, Las Vegas will soon be home to a new $1.8 billion, 65,000-seat stadium being built to accommodate the NFL Raiders and University of Nevada Las Vegas football program beginning in 2020. Along with other venues, including T-Mobile Arena (built for the Vegas Golden Knights NHL team), the Las Vegas Ballpark (built for the Las Vegas Aviators, a AAA baseball team), Cashman Field (current home of Las Vegas Lights FC of the United Soccer League), and Mandalay Bay Events Center (home to the Las Vegas Aces WNBA team), the new arena will continue to raise the profile of Las Vegas as a destination for sports fans.

Online reviews remain a trusted source of information for travelers - According to a global study conducted by **TripAdvisor**, 72 percent of travelers always or frequently read reviews before making trip-related decisions such as where to eat, where to stay or what to do. When choosing between two otherwise identical properties, 8 out of 10 survey respondents were more likely to book a hotel with better reviews. 52 percent of respondents said they would never book a property that had no reviews.

Total air passenger trips grew in the first half of 2019 compared to the same period in 2018- According to a **press release** from the Airlines Reporting Corporation (ARC), the total number of passenger trips, settled by ARC on behalf of U.S. travel agencies, increased 2.4 percent from 157,997,776 in the first six-months of 2018 to 161,850,103 in the same period of 2019. The consolidated dollar value of air passenger tickets sold also increased in the first half of 2019. Rising 3.38 percent from $50.7 billion to $52.4 billion.

U.S. hotel construction pipeline continues to climb into second quarter 2019 - As reported by **Lodging Magazine**, in second quarter 2019, total U.S. hotel construction projects increased 6 percent year-over-year to 5,653 projects, totaling 693,207 rooms (9% increase year-over-year). In the first half of 2019, the industry opened 456 new hotels totaling 53,427 rooms. An additional 599 projects/66,300 rooms are expected to open by the end of the year. Should pipeline growth trends continue, 2021 will see the highest number of new hotel openings since 2009.