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Atlantic City Gaming Win & Non-Gaming Revenue

Source: N.J. Division of Gaming Enforcement

Month of June (\$ In Thousands)	June 2017	Change from Prior Year	June 2016
Total Gaming Win (includes Internet)	\$ 217,722	1.8%	\$ 213,895
Internet Gaming Win	\$ 20,233	23.4%	\$ 16,402

First Quarter Ended March 2017 & 2016 (Current Operators, \$ In Thousands)	Q1 - 2017	Change from Prior Year	Q1 - 2016
Total Revenue (Gaming & Non-Gaming)	\$ 816,724	8.6%	\$ 751,985

For the Three Months Ended March 2017 & 2016 (Current Operators, \$ In Thousands)	March 31, 2017	Change from Prior Year	March 31, 2016
Casino Licensees:			
Casino	\$ 606,297	11.1%	\$ 545,635
Rooms	\$ 83,766	4.2%	\$ 80,401
Food & Beverage	\$ 93,628	-1.0%	\$ 94,606
Entertainment & Other	\$ 33,033	5.4%	\$ 31,343
Casino Licensees Total Revenue	\$ 816,724	8.6%	\$ 751,985
Third Party Business Sales	\$ 40,926	3.1%	\$ 39,709
Combined Sales	\$ 857,650	8.3%	\$ 791,694

Atlantic City Statistical Transportation Data

Source: South Jersey Transportation Authority

Travel Mode	Jan-May 2017	Change from Prior Year	Jan-May 2016
AC Expressway			
Total Toll-Paying Traffic Pleasantville Toll Plaza	7,152,579	-1.8%	7,280,578
AC Airport			
Scheduled Service Passengers	432,421	-13.7%	500,947
Charter Passengers	39,569	51.1%	26,180
Total Air Passengers	471,990	-10.5%	527,127
Casino Buses			
Casino Buses to A.C.	23,156	-8.0%	25,157
Casino Bus Passengers	373,962	-12.2%	425,985
NJ Transit Rail Service to A.C.			
Rail Passengers	387,815	-10.5%	433,334

Legislative Update

NJ Assembly Bill #AB3532 (Mazzeo, Caputo, Burzichelli, Moriarty)- Provides for regulation of fantasy sports activities in New Jersey. On June 30, members of the New Jersey State Assembly voted (29-6) to approve a bill which would legalize, regulate and tax daily fantasy sports in the state. As reported by [CalvinAyre.com](#), the bill would require fantasy sports operators to make quarterly payments of 10.5 percent of gross revenue, to the state. The New Jersey Office of Legislative Services estimates this will generate \$6.6 million in annual revenue for the state. Fantasy sports sites will be allowed to partner with casinos (all servers must be located in Atlantic City) and out-of-state fantasy sports sites will be allowed to operate in New Jersey provided at least one server is located in Atlantic City. Other provisions of the bill include an age limit for players (18), the barring of players on the self-exclusion lists, and a prohibition against betting on high school sports in the state.

Atlantic City Information

City Council accepts budget with a tax decrease- As reported by [The Press of Atlantic City](#), on July 11 the Atlantic City Council accepted its first budget since the state takeover in November. The \$206 million budget, which was approved by the local finance board on July 12, is \$35 million less than the previous year. The budget, which includes \$13 million in transitional aid from the state, would reduce property taxes for the first time in nearly a decade; down \$0.10 to \$1.80 per \$100 of assessed value. Mayor Don Guardian told [The Press](#) that taxpayers should expect further reductions once planned cuts to school and county taxes have been approved.

CRDA signs partnership agreements with Comcast NBC-Universal and William Morris Endeavor Entertainment- As reported by [The Press of Atlantic City](#), on July 18 the board of the Casino Reinvestment Development Authority agreed to enter into two public-private partnership agreements. The two partnerships, valued at \$7 million in total, are expected to attract larger “destination events” to the Atlantic City Convention Center and Boardwalk Hall.

Liquidation sale continues at former Taj Mahal as demolition of the façade begins- As reported by [The Press of Atlantic City](#), on July 18 workers began removing the “eighth wonder of the world’s” iconic minarets and onion shaped domes. The demolition marks the beginning of a \$500 million project to renovate and rebrand the 27-year-old property, which is expected to reopen as the Hard Rock Atlantic City in time for Summer 2018.

Live Nation Concert Series Begins- As reported by [The Press of Atlantic City](#), midweek concerts by Pink (July 12) and Brantley Gilbert (July 13) drew a total crowd of 60,000-70,000 to the city. Businesses benefited from the midweek traffic and community leaders hope concert goers will return to sample more of the city.

Lyft named as official ride-share partner for Boardwalk Hall and AC Convention Center- As reported by [The Press of Atlantic City](#), Spectra by Comcast Spectacor, operators of Atlantic City Convention Center and Boardwalk Hall, have entered into an agreement with Lyft to provide ride-hailing services around the venues. State legislation imposing safety standards and consumer protections on ride-sharing services such as Lyft and Uber went into effect May 1.

Tropicana purchases The Chelsea Hotel- as reported by [The Press of Atlantic City](#), Tropicana Entertainment has purchased The Chelsea Hotel. The boutique hotel which has been closed since last winter is expected to reopen in August as The Chelsea Tower at Tropicana Atlantic City. With the addition of the 20-story oceanfront tower, Tropicana will have 2,730 rooms.

Local Gaming News

Caesar's Entertainment welcomes Kevin Ortzman as Atlantic City Regional President- As reported by [The Press of Atlantic City](#), Caesar's Entertainment announced the departure of Rick Mazer, regional president of Harrah's since 2013, and the appointment of Kevin Ortzman on July 13.

Hard Rock International names Matt Harkness as president of Hard Rock Hotel & Casino Atlantic City- In a July 6 [press release](#), Hard Rock international announced the appointment of Matt Harkness as president of Hard Rock Hotel & Casino Atlantic City. Harkness is a New Jersey native with decades of experience in the gaming industry. During his 15-year career with Trump Casino Resorts, Harkness served in a variety of roles including executive director of casino administration for Trump Taj Mahal. He most recently held the position of general manager at Lucky Dragon Hotel & Casino in Las Vegas, Nev.

MGM Resorts International names next president and COO of Borgata AC- As reported by the [Associated Press](#) on July 20, MGM announced the appointment of Marcus Glover as president and chief operating officer of the Borgata Atlantic City. Glover will succeed Tom Balance who will become the next executive vice president of operations for MGM Resorts.

Resorts Casino Hotel to host PokerStars event in October- As reported by [The Press of Atlantic City](#), Resorts Casino Hotel is expected to host the first 'Sunday Special Live New Jersey', a championship style low-buy-in live poker tournament, on Oct. 6 - 8. The tournament is part of PokerStars' popular live poker tournament series Megastack and takes its name from PokerStarsNJ.com's most popular weekly tournament, the Sunday Special.

Resorts Casino Hotel Launches FastPick- As reported by [CalvinAyre.com](#), Resorts Casino hotel on July 17 launched FastPick an online, real-money DFS product which 'strongly resembles parlay betting.' The Atlantic City casino is the first casino outside of Nevada to offer a real money DFS product. While FastPick is currently only available through Resort's online casino, plans are in place to integrate it with the brick-and-mortar casino in the near future.

National Gaming News

Caesars Entertainment hires two new executives in effort to boost non-gaming expansion- As reported by [CalvinAyre.com](#), Caesars Entertainment has hired former Hard Rock International executive VP Marco Roca as its new President, Global Development. Caesars and former GE Capital exec Michael Daly is its new senior VP of Strategy and M&A. Both Roca and Daly are expected to contribute to Caesar's domestic and international expansion initiatives including the exploration of opportunities to license its Caesars and Harrahs brands to non-casino hotels.

California- As reported by LegalSportsReport.com, California legislators have introduced an amendment to the California Constitution which would authorize sports betting in the state. As with legislation released recently in other states, the amendment would only take effect if the current federal law (PASPA) were repealed or revised. Before the amendment goes to California's citizens for a vote, it must first pass the state Legislature with a two-thirds majority.

Connecticut- As reported by LegalSportsReport.com, on July 10 Connecticut Governor, Danell Malloy, signed Connecticut General Assembly Bill **#HB6948** into law. The bill, which included the authorization of a new casino and an increase in the number of off-track betting sites allowed for horse racing, also included a provision which would allow for the regulation of sports wagering "to the extent permitted by state and federal law." If federal law changes to permit the legalization of sports betting at the state level (repeal or amendment of PASPA), Connecticut would have to repeal its existing prohibition on sports betting, and the Connecticut Department of Consumer Protection would need to promulgate the related regulations, before sports betting could become legal in the state.

Delaware- As reported by LegalSportsReport.com, Delaware became the 14th state to pass Daily Fantasy Sports legislation when Governor John Carney signed house bill **#H249** into law on July 26. The law imposes a \$50,000 fee and a 15.5 percent gross revenue tax, currently the highest in the nation, on DFS operators. H249 also makes provision for regulation, a minimum age limit of 18 and various consumer protections. Additionally, the law bans use of the DFS platform to wager on horse racing or college/amateur sports.

DraftKings and FanDuel call off merger- As reported by LegalSportsReport.com, on July 13, representatives of the two DFS companies confirmed that the merger between them was officially off. The merger of the two largest DFS companies (accounting for 90 percent of the DFS market) met with resistance from the Federal Trade Commission which in June fielded suit to stop the merger. While the companies will return to being competitors, they are expected to continue working together in their legislative lobbying efforts to pass laws legalizing and/or regulating Daily Fantasy Sports and the state level.

Florida- As reported by CalvinAyre.com, The Seminole Tribe and the State of Florida have come to an agreement regarding gambling rights. The agreement, which resolves the lawsuits which the two parties have filed against one another, extends the Seminole's monopoly over Black Jack and other house-banked card games to 2030 and prohibits pari-mutuel racing and card rooms from offering 'designated player' games. The Seminole Tribe will continue to make monthly revenue-sharing payments to the state. While the agreement appears to be a positive result for both parties, it has yet to be approved by the state's Legislature.

New Hampshire- As reported by CalvinAyre.com, New Hampshire has become the fifth state to legally offer online lottery products. Illinois (March 2012), Georgia (November 2012), Michigan (August 2014) and Kentucky (April 2016) all currently support online lotteries and Pennsylvania, Massachusetts and West Virginia may soon join their ranks. Minnesota was among the first states to offer online lottery products, draw products (Powerball, MegaMillions, etc.) were first offered in 2010. In 2014 new products were added including eScratch tickets and "Play at the Pump" varieties, before lawmakers voted to end "**iLottery**" products in Spring of 2015.

As reported by [LegalSportsReport.com](#), New Hampshire became the 13th state to enact a Fantasy Sports Law when Gov. Chris Sununu signed House Bill #580 into law on July 18. Notably, while the law requires fantasy sports operators to register with the state it does not at this time impose either a fee or tax.

Pennsylvania – As reported by [CalvinAyre.com](#), fiscal year 2017 figures released by The Pennsylvania Gaming Control Board (PGCB) on July 6, showed a decline in slot machine revenues. The state's 12 casino licensees reported \$2.33 billion in slots revenue in the twelve months ended June 30. This represents a 2.2 percent decline from the prior twelve-month period. Slots revenues peaked at \$2.5 billion in fiscal year 2012. Despite the decline, the state's share of the fiscal year's revenue, which is taxed at 54 percent, was \$1.23 billion (down \$40 million from the prior year).

Also reported by [CalvinAyre.com](#), the PGCB released fiscal year 2017 numbers for table games at the state's 12 casinos on July 17. In the 12 months ended June 30, casino licensees reported \$866.5 million in revenue from table games. This represents an increase of 3.25 percent over the prior year. Combined with slots revenues, Pennsylvania casinos reported \$3.2 billion in total gaming revenue a decline of less than 1 percent from last year's record \$3.22 billion

West Virginia- As reported by [CalvinAyre.com](#), lawmakers in West Virginia have introduced a pro-sports betting bill. Supporters of the bill see sports betting as a potential new revenue source for the state and hope that early adoption of sports betting will give them a competitive edge over neighboring states. West Virginia is one of five states to file an amicus brief in support of New Jersey's appeal to the US Supreme Court regarding legalized sports betting at the state level.

Hospitality News

H-2B Workforce Coalition grateful for H-2B Visa Expansion- In a July 17 statement shared via the [American Hotel & Lodging Association](#) website, the **H-2B Workforce Coalition** expressed gratitude for the Department of Homeland Security and the Department of Labor's pledge to add up to 15,000 additional H-2B temporary, seasonal guest worker visas available for the current fiscal year. Although the Coalition, comprised of 40 various industry associations, thanked the departments, they also expressed concern that the "minimal relief granted" was too little too late for many small and seasonal businesses which rely on short-term guest workers during peak business periods.

U.S. Labor Department to rescind restrictions on tip-pooling- As reported by [Nation's Restaurant News](#), the U.S. Department of Labor published a notice indicating its intent to rescind the **2011 tip-pooling rule**. The rule prohibited an employer from "using an employee's tips, whether or not it has taken a tip credit, for any reason other than that which is statutorily permitted: As a credit against its wage obligations to the employee, or in furtherance of a valid tip pool." Tip-pools which included employees "who do not customarily and regularly receive tips" were categorized as invalid. As a result of the ruling, back-of-house employees have been excluded from tip-pooling designed to make pay more equitable throughout a restaurant.

Wyndham Hotel Group to acquire AmericInn hotel brand- As reported by [HotelManagement.com](#), Wyndham has announced plans to purchase the AmericInn hotel brand and its management company, Three Rivers Hospitality, from Northcott Hospitality for \$170 million. The franchise includes 200 hotels with 11,600 rooms in 21 states.