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Atlantic City Gaming Win & Non-Gaming Revenue

Source: N.J. Division of Gaming Enforcement

Month of August (Current Operators, \$ In Thousands)	August 2017	Change from Prior Year	August 2016
Total Gaming Win (includes Internet)	\$ 244,837	5.5%	\$ 232,093
Internet Gaming Win	\$ 21,279	32.4%	\$ 16,074

Second Quarter Ended June 2017 & 2016 (Current Operators, \$ In Thousands)	Q2 - 2017	Change from Prior Year	Q2 - 2016
Total Revenue (Gaming & Non-Gaming)	\$ 876,655	7.3%	\$ 816,654

For the Six Months Ended June 2017 & 2016 (Industry, \$ In Thousands)	June 30, 2017	Change from Prior Year	June 30, 2016
Casino Licensees:			
Casino	\$ 1,237,518	2.4%	\$ 1,208,618
Rooms	\$ 183,871	-5.0%	\$ 193,649
Food & Beverage	\$ 200,808	-4.6%	\$ 210,385
Entertainment & Other	\$ 71,060	-0.1%	\$ 71,146
Casino Licensees Total Revenue	\$ 1,693,257	0.6%	\$ 1,683,798
Third Party Business Sales	\$ 89,812	-3.8%	\$ 93,381
Combined Sales	\$ 1,783,069	0.3%	\$ 1,777,179

Atlantic City Statistical Transportation Data

Source: South Jersey Transportation Authority

Travel Mode	Jan-August 2017	Change from Prior Year	Jan-August 2016
AC Expressway			
Total Toll-Paying Traffic Pleasantville Toll Plaza	12,775,280	-1.7%	12,994,783
AC Airport			
Scheduled Service Passengers	702,102	-12.7%	804,240
Charter Passengers	70,193	36.5%	51,415
Total Air Passengers	772,295	-9.7%	855,655
Casino Buses			
Casino Buses to A.C.	39,891	-7.3%	43,035
Casino Bus Passengers	688,914	-12%	782,837
NJ Transit Rail Service to A.C.			
Rail Passengers	675,280	-11%	759,117

Atlantic City Information

Atlantic City Mourns the Loss of Sen. Jim Whelan - In continuing coverage from **The Press of Atlantic City**, members of the Atlantic City community, personal friends and colleagues honored the memory of a truly beloved friend and public figure. A memorial service for Sen. Whelan was held on September 14 at Boardwalk Hall where 13 speakers offered their memories and condolences to an audience of 2,000. Sen. Whelan's legislative colleagues have introduced a bill to rename Boardwalk Hall in honor of his service and dedication to the people of Atlantic City.

Atlantic City Council Approves Redevelopment of Gardner's Basin - As reported by **The Press of Atlantic City**, the council approved a lease and management agreement for the redevelopment of Gardner's Basin in a 5-4 vote on Sept. 6. Scarborough Properties, a Somers Point-based company, will oversee the project, which is expected to replace 10 seasonal crafters and small business owners from Gardner's Basin's Crafter's Village

Cara Mund of North Dakota Crowned Miss America 2018 - As reported by **The Press of Atlantic City**, Cara Mund was crowned Miss America 2018 during the annual competition's Sunday Sept. 10 telecast. According to the Miss America Organization, the two-hour ABC broadcast received 5.6 million viewers and a 1.2 Nielson rating. This was a decline from the previous year, which drew 6.25 million viewers for a 1.3 rating. The event was the number one non-sports program in the 9-11 pm time slot.

Dusk Nightclub at Caesars Atlantic City Closes - As reported by **The Press of Atlantic City**, the Dusk nightclub at Caesars Atlantic City has closed. The nightclub, independently operated by AC Nightlife LLC, surrendered its Casino Hotel Alcoholic Beverage license to the New Jersey Division of Gaming Enforcement as of Aug. 30. The 10,000-square-foot venue had been in operation since July 4 weekend 2009.

State Sells \$68 Million in Bonds to Cover Tax-Appeals- as reported by **The Press of Atlantic City**, on Sept. 20, the state sold \$68 million in bonds under the Municipal Qualified Bond Act program. The bonds will finance the remaining property-tax appeals filed by casino properties.

Surf Baseball Team Weighs Return to Sandcastle Stadium- As reported by **The Press of Atlantic City**, Former Surf owner Frank Boulton has expressed interest in returning the minor league baseball team to Atlantic City and the "underused" stadium. The team would face several obstacles in returning to the city, but with a sustainable business plan, could bring additional family entertainment to the area.

Two-Day Festival at Bader Field Canceled- As reported by **The Press of Atlantic City**, the two-day Garden State Country Music & Food Truck Festival was canceled due to 'unforeseen circumstances.' The festival, expected to draw 20 artists and more than 40 food trucks to Bader field, was scheduled for Sept. 30 through Oct.1. The event was announced in March and tickets have been on sale since April.

Local Gaming News

Hard Rock Hotel & Casino Atlantic City Clashes with Scores AC - As reported by [NJ.com](#) and [CourierPostOnline.com](#), Hard Rock AC filed suit on Sept. 18 to block Scores AC's claims that they have a right to open their venue, a gentleman's club, within the Hard Rock when it opens next year. Score's claims stem from a 2010 lease agreement with the former Taj Mahal. Hard Rock contends that Scores failed to obtain a five-year extension on the lease agreement in 2015 causing the lease to expire in June 2016. Scores, which occupied nearly 30,000 square feet within the Taj Mahal, closed in August 2016 in advance of the hotel's shut down. Scores' intent to provide adult entertainment is in conflict with Hard Rock's intent to develop the property as a family-friendly destination.

NJ DGE Proposes New Internet Gaming Regulations - As reported by [OnlinePokerReport.com](#), the New Jersey Division of Gaming Enforcement released newly proposed regulations for online casinos. The proposed regulations include required residential addresses for online gamblers (PO Boxes no longer accepted), oversight of remote gaming systems, and clarification of responsible gaming protocols. Online casinos will also now be required to employ an information security officer (ISO). The proposal also makes temporary regulations for progressive slot jackpots and ACH payments permanent. For live dealer blackjack operators Betfair and Golden Nugget, a regulation permitting unlimited "bet behind" wagers (spectators betting on the outcome of a player's hand), will make the popular format more profitable.

Private Investment Firm Makes \$225 Million Offer for Revel - As reported by [The Press of Atlantic City](#), representatives from New York-based, Keating & Associates LLC say they have offered Glenn Straub, current owner of the shuttered Revel, \$225 million for the property. Straub rejected Keating & Associates LLC's previous offer of \$220 million for the property, which he purchased out of bankruptcy in August 2015 for \$82 million

Tropicana Introduces Two New Poker Games - As reported by [The Press of Atlantic City](#), Tropicana Atlantic City has introduced two new poker-style games to their casino floor. Asia Poker and Three-Card Draw poker will now be available to casino patrons. Additionally, Tropicana has moved its poker room to a newly renovated, non-smoking space behind the Boogie Nights venue.

Twenty States Support New Jersey with Sports Betting Briefs - As reported by [LegalSportsReport.com](#), the Attorney Generals of 18 states (Arizona, Florida, Indiana, Kansas, Louisiana, Mississippi, Missouri, Nebraska, New Hampshire, North Dakota, Ohio, Oklahoma, Rhode Island, Tennessee, Texas, Utah, Wyoming, and West Virginia), and the Governors of three states (Kentucky, Maryland and North Dakota), signed an amicus brief in support of New Jersey's sports betting case now before the U.S. Supreme Court. The states, led by West Virginia, argue that the Professional and Amateur Sports Protection Act of 1992 (PASPA) is unconstitutional on the grounds it violates states' rights by forcing them to act against their wishes. A number of other persons and groups have also signed amicus briefs including; the American Gaming Association, European Sports Security Association, Pacific Legal Foundation, Rep. Frank Pallone, Ryan Rodenberg (Sports law expert), and John Holden (Sports law expert). Gov. Chris Christie (representing the state of New Jersey) and the N.J. Thoroughbred Horsemen's Association (a defendant and appellant alongside the state) have also filed briefs.

National Gaming News

AGA Releases Amicus Brief Challenging PASPA - In a Sept. 5 [press release](#), the American Gaming Association announced the filing of an **amicus brief** with the U. S. Supreme Court. The AGA cited findings from [Oxford Economics](#) and a national survey conducted by [Greenberg Quinlan Rosner \(GQR\)](#) supporting the Association's claim that "it's time to legalize and regulate sports betting in America."

Kentucky Legislators introduce Sports Betting Bill - As reported by [LegalSportsReport.com](#), Sen. Julian Carroll of Kentucky filed a sports betting bill on Sept. 20. The bill, which would only take effect after the repeal of PASPA, imposes a \$250,000 licensing fee, establishes a tax rate of 20 percent and creates penalties for tampering. Participants of a sporting event are also prohibited from wagering on its outcome.

Massachusetts Lottery Officials Fear Competition from New Hampshire Online Lottery Products - As reported by [OnlinePokerReport.com](#), Massachusetts lottery officials have expressed fear that the introduction of online lottery products in neighboring New Hampshire will have a negative impact on the state's lottery revenues. Despite considering legalizing online lottery products, Massachusetts has yet to do so. Both New Hampshire and Massachusetts have also explored legalizing online gambling however, experts believe the Massachusetts legislature is unlikely to enact online gambling laws in the near future.

Massachusetts Reaches \$2.6 Million Settlement with Daily Fantasy Sports Operators - As reported by [CalvinAyre.com](#), on Sept. 7, DraftKings and FanDuel agreed to pay a total \$2.6 million to settle legal complaints, including allegations of consumer-unfriendly practices, in the state of Massachusetts. The DFS operators reached a settlement (\$12 million total) with New York State for similar complaints in October 2016.

MGM Announces Plans to Build Casino in Connecticut - In a Sept. 18 release shared by [CardPlayer.com](#), MGM Resorts International announced it would build its 17th U.S. casino in Bridgeport, Connecticut. The \$675 million waterfront casino would be a 90-minute train ride from New York City and 80 miles southwest of Springfield, Massachusetts where MGM plans to open a \$950 million casino in 2018. The announcement drew criticism from tribal casino competitors who pointed out that MGM has yet to obtain state and local approval for the project, which would conflict with existing tribal-state gaming compacts giving the Native American groups the exclusive right to offer Las Vegas-style gambling.

Michigan Legislators Propose Online Gambling Legislation - As reported by [CalvinAyre.com](#), members of the Michigan House of Representatives have proposed [HB# 4926](#). The bill would create a division responsible for overseeing Internet Gaming, impose a 15 percent tax on internet gaming revenue, create a structure for licensure, and permit interstate revenue sharing compacts. The bill would not have jurisdiction over the state's tribal casinos, which would be free to contract separately with the state as per the Indian Gaming Regulatory Act (IGRA).

New Entrant into DFS, EagleStrike Now Operating in Seven States - As reported by [LegalSportsReport.com](#), EagleStrike, the latest entrant into the Daily Fantasy Sports Industry, is currently operating kiosks in seven states. The startup company's business model is offering inperson, live DFS contests at bars, taverns and community centers. Contestants use terminals with proprietary software to 'draft' players for week-long and nightly contests. Then contestants follow local and global

contest standings as they are displayed, in realtime, on dedicated TV monitors. EagleStrike has paid out nearly \$250,000 in total prizes in its first year of contests.

Pennsylvania on the Edge of Legalizing Online Gambling - As reported by [OnlinePokerReport.com](#), Pennsylvania has teetered on the edge of passing online gambling legislation since 2013 however, state legislators have been unable to come to an agreement on a 'gaming package.' The 2017 state budget has made provision for funds generated through gaming expansion, but the legislation authorizing the expansion has yet to be passed.

PGA Hires Genius Sports to Monitor Wagering Activity - As reported by [ESPN](#), The PGA Tour has entered into an agreement with Genius Sports to provide monitoring of worldwide betting patterns for irregularities. The choice to monitor wagering is part of the PGA's "Integrity Program" set to launch in January 2018, and intended to preserve the integrity of tournaments. This is especially critical in an atmosphere of live betting where patrons are permitted to wager on Tournaments while they are in progress. The PGA's actions are similar to those of other professional sports leagues (although the PGA is not involved in PASPA), which are preparing themselves for potential widespread legalization of sports betting in the U.S.

Hospitality News

Caribbean Tourism Destinations Face Long Road to Recovery - As reported by [The New York Times](#), the highly tourism-dependent Caribbean suffers in the wake of two major hurricanes in the span of a few weeks. Some locations, which emerged mostly unscathed, will resume normal operations within a few days others within a few months. The hardest hit areas may be facing years of recovery and will likely never be the same. While damage to tourism infrastructures varies from island to island, the whole of the island chain could suffer as cruise operators and airlines alter their itineraries and flight schedules.

CBRE Hotels Americas Research Shows U.S. Hotel Demand at All-Time High - In an article for [hospitalitynet.org](#), Richard Barkham, Ph.D., Global Chief Economist for CBRE reported the latest trend in demand for U.S. Hotels. Despite relatively weak GDP growth, demand for U.S. Hotels has shown strong growth since the middle of 2016 and has now reached an all-time high. Barkham notes a 'major structural shift' in the industry, related to the growth in the working-age population and the entry of non-hotel lodging (home-sharing) into the marketplace, as being responsible for the rapid growth in the number of hotel rooms sold. Other influences include the advent of budget airlines, Online Travel Agencies (OTA), and demographic changes, which boost the 'demand for experiences over physical goods.'

IHG Announces New Midscale Brand - As reported by [HotelBusiness.com](#), IHG announced its new midscale brand, Avid Hotels. The new brand will feature open public and work areas, and communal spaces at a price point \$10-15 lower than IHG's industry-leading Holiday Inn Express brand. The first locations should begin construction in early 2018 and open in early 2019.

MGM Launches First Corporate Brand Campaign - As reported by [HotelBusiness.com](#), MGM Resorts International has launched a campaign to highlight the variety of experiences at the company's 27 resort destinations. The "Welcome to the Show" brand message will be shared through various channels including social media, national TV & print, out-of-home media and in highly trafficked spaces in New York, Washington, DC, and Los Angeles.

Motel 6 Introduces Guest Information Policy - As reported by [The New York Times](#), following news that Phoenix, Arizona area Motel 6 chains had been sharing guest information with Immigration and Customs Enforcement (ICE) officials without a warrant, Motel 6 parent company, G6 Hospitality, introduced a new policy protecting guests' privacy. G6 Hospitality released a statement saying Motel 6

locations will not share guest lists with law enforcement official unless compelled to do so by subpoenas, warrants, or in the case of an imminent threat to public safety.

Restaurants and Hotels Commit to National Apprenticeship Program - As reported by **Lodging Magazine**, leading hospitality companies, including Golden Corral, FATZ Café, Firehouse Subs, Hilton, Wyndham, and Hyatt, have committed to creating 475 apprenticeship positions as part of the Hospitality Sector Registered Apprenticeship (HSRA) program. HSRA is an earn-while-you-learn apprenticeship program, developed by the National Restaurant Association Educational Foundation (NRAEF), and the American Hotel & Lodging Association (AHLA), for the nation's restaurant, food service and lodging industries.

U.S. Domestic Travel and Road Trips Increase- As reported by **Lodging Magazine**, MMGY Global's *2017 Portrait of American Travelers*, found that U.S. Domestic Travel accounted for 85 percent of total U.S. vacations. In the last 12 months, American travelers took 13.9 million more domestic rather than international vacations. Many of these vacations, 39 percent in 2016, up from 22 percent in 2015, were road trips. Roadtrippers (household income over \$50,000 who took at least one road trip in past 12 months) now represent 46 percent (27.8 million households) of American travelers, and spent \$215.1 billion on leisure travel. Consumer spending on road trip travel has increased from \$66.6 billion in 2015 to \$113.7 billion in 2016.