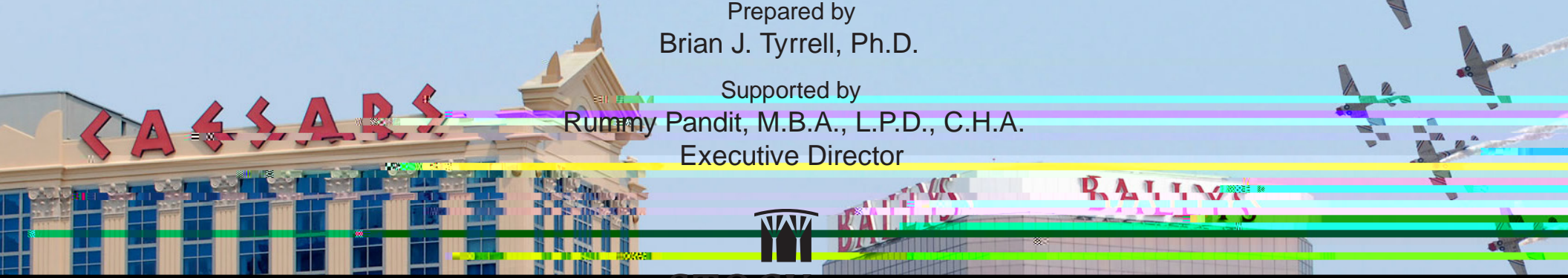


Atlantic City Tourism Performance Indicators (AC-TPI) 2016 2nd Quarter

Prepared by
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Supported by
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Performance Indicators (AC-TPI)
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Atlantic City Casino Parking Fee

The Atlantic City Casino Parking Fee data is provided by the NJ Casino Control Commission (NJCCC). This figure serves as a surrogate for transportation, assuming that if the number of vehicles taxed has gone up or down, then so too will other expenditures on transportation to and from, as well as within, the resort. The tax is described by the NJCCC as:

By law, casinos remit a fee of \$3.00 per day for each parking space used by patrons in their facility. \$0.50 of the parking fee is deposited into the Casino Revenue Fund, with the remaining \$2.50 forwarded to the Casino Reinvestment Development Authority for public projects in Atlantic City. The commission audits and certifies the amounts payable by each casino under the law.

The amount collected under the fee, charged to patrons of the casino hotel parking garages, is necessarily influenced by the number of available parking spaces. Over the past 10 years there have been some significant changes to the supply of casino hotel parking spaces. Figure 2 shows that the monthly supply, calculated as the number of available parking spaces times the number of days in the month. The largest gain during that time frame occurred following the opening of Revel, adding more than 7.6 thousand

spaces, an increase of 237 thousand (18%) for March 2012 compared to March 2011.

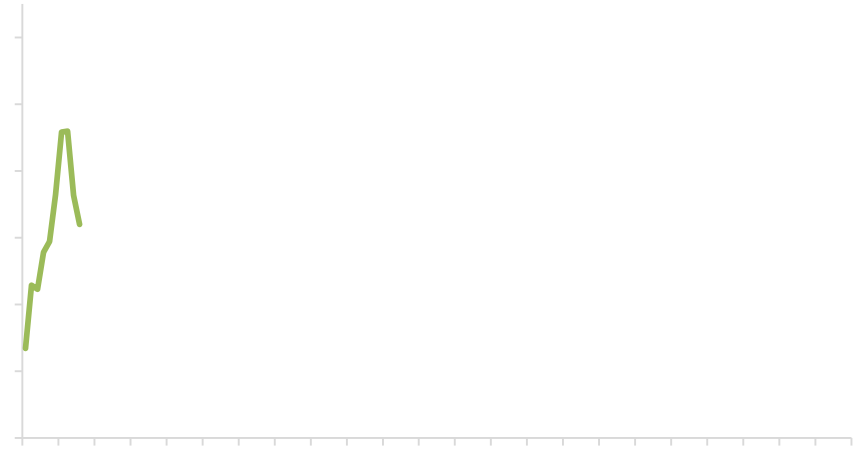
In mid-January 2014, the Atlantic Club closed, reducing the supply by 1.4 thousand daily parking spaces. Three more casinos closed in September of 2014; the Showboat and Revel, both at the beginning of the month, followed by Trump Plaza in mid-September. The impact of these three closures further reduced the daily parking spaces available at casino hotels in Atlantic City by 2.6 thousand, 3.4 thousand and 7.6 thousand respectively. The most recent monthly supply figures for casino parking spaces in Atlantic City indicates there were 1.1 million available parking spaces in June 2016, the same number available one year ago after the annual closures.

These significant shifts in the number of parking spaces presents a challenge when analyzing the Atlantic City Casino Parking Fee over time. Particularly with the most recent closures, simply examining the total fee provides little insight about per property performance relative to driving visitation to the remaining casinos. In order to account for this, we present, in Figure 3, the Atlantic City Casino Parking Fee on a per supply basis (per 100 parking spaces) utilizing the figures displayed in Figure 2. Figure 3 is labeled with the

three most recent annual highs (labeled above the data series) and the annual low (below the data series) for each of the past 10 years. Highs occur in July or August, with the best recorded month occurring in July 2006 (\$285)

Atlantic County Lodging Fee





The supply of rooms displayed in Figure 6 is used to calculate the Atlantic County Lodging Fee on a per 100 room basis in Figure 7. Figure 7 is labeled with the annual high (labeled above the data series) and the annual low (below the data series) for each of the past ten years. Similar to the Atlantic City Parking Fee described earlier in this report, highs occur in July or August. Unlike the parking fee however, the best recorded month occurred only recently in August 2015 at \$110. Lows occur in December or January, with the notable exception of the Hurricane Sandy impacted month of November 2012 (\$49). Otherwise, the highest annual low recorded was in December 2005 (\$44). The low in the past twelve months was recorded in December 2015 (\$37).

Figure 8 shows the year over year change in the Atlantic County Lodging Fee per 100 rooms for the prior 12 months. Once again, following the closures of the national three properties in September of 2014, significant gains were had in revenue when examining the tax on a per room basis. Double-digit gains were realized in July 2015 (13%), September 2015 (20%), December 2015 (12%) and April 2016 (13%). The September 2015, December 2015 and April 2016 positive gains stand in contrast to the parking revenue figures for the same month analyzed in the previous

section. Like the parking figures, however, May 2016 (-8%) was the lowest performing month when comparing year over year figures. Altogether, the lodging market in Atlantic County experienced healthy year over year gains (3%).

Given the seasonal nature of the Atlantic County Lodging Fee (see Figure 7), it is again easier to visualize the long term trend by examining the 12 month trailing total for the fee. Figure 9 shows the 12 month trailing total for the Atlantic County Lodging Fee per 100 rooms. The 12 months ending in February 2008 produced the highest Atlantic County Lodging Fee per 100 rooms at \$671. On a per property basis, declines have given

Non-Casino Lodging Performance in Atlantic County: Occupancy, Average Daily Rate (ADR) and Revenue per Available Room (RevPAR)

Data drawn from the STR Incorporated Trend Report provide valuable insight to the Atlantic City Tourism Performance Indicators (AC-TPI): Occupancy, Average Daily Rate (ADR) and Revenue per Available Room (RevPAR). These three measures have long been a staple of analyzing lodging performance and have been adopted by numerous destination marketers across the globe in analyzing the health of a tourist destination's lodging industry. While these measures are not available for the casino properties in Atlantic City, they do provide valuable information nonetheless for the non-casino lodging properties in the Atlantic City region (Atlantic County).

Figures 10 through 12 provide STR, Incorporated figures from the Trend Report, showing Occupancy, ADR and RevPAR for the most recent 12 month year over year performance as shown in Figures 10 through 12. The period began with mixed results to end the summer season for the non-casino hotels, RevPAR for the months of July 2015 (9%) and August 2015 (0%)

experiencing dichotomous results. The calendar year finished remarkably by the non-casino hotel sector may signal that the casino hotels are not strong, with year over year RevPAR increases that were double-digit from capturing growth in demand for lodging accommodations to the same extent September 2015 through December 2015. That strong performance for that the non-casino hotels are realizing.

RevPAR carried over into 2016 and remained positive through April 2016

(26%). May 2016 (-4%) was negative, similar to the other two measures. The addition of Occupancy, Average Daily Rate (ADR) and Revenue per Available Room (RevPAR) provides valuable insight into non-casino

lodging performance in the Atlantic City region. Of these three measures,

Comparing across sections of this report further, the non-casino hotel RevPAR may be of the most value in determining longer term trends in

performance in Atlantic County evidenced in this section with Occupancy, the market place as RevPAR is a combination of both Occupancy and ADR

ADR and RevPAR stands in contrast to the parking fee, this time to a large degree (Occupancy multiplied by ADR is equal to RevPAR). As such, changes

degree than the lodging fee. Non-casino hotel performance (Occupancy in RevPAR will be the summary variable for the non-casino lodging

ADR and RevPAR) outperformed both the Parking Fee and the Atlantic performance measure included in the AC-TPI Snapshot presented in the

County Lodging Fee. The non-casino hotel performance (Occupancy, ADR and

and RevPAR) outpaced Atlantic County lodging fee which measures both

casino hotel and non-casino hotel performance. Continued out performance

June 2016 Atlantic City Tourism Performance Indicators (AC-TPI) Snapshot

The Lloyd D. Levenson Institute of Gaming, Hospitality and Tourism (LIGHT) has concluded that non-casino Revenue per Available Room



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