

MGHA Monthly Report



Message from Executive Director



Well members, all I can say is thank you for all of your support. It has been one year since I was diagnosed with cancer, and I am comfortable in saying that I am recovered. My view of the world is different now as I am trying to take it all in. Since my return in September, I have been ballet dancing (a first) in my daughter's Christmas program, which consisted of multiple live performances (another first). And now, I am hoping to face my fear of heights as I plan to rappel (another first) down the face of the Beau Rivage while also raising money for Habitat for Humanity. As I said, my view of life is different now.

Thank you again for supporting me over the past year! I cannot tell you how much it means to Molly and me. As we look ahead, I look forward to working together to promote our Mississippi gaming industry.

Larry

The Latest in Mississippi Gaming Revenues

As you may recall, 2014 was the first year that revenues along the Gulf Coast increased on a year-over-year basis since 2007. This trend continues in 2015, where revenues are consistently increasing. For March 2015, the trend consisted of a 2.4% increase over March 2014, or a boost of \$2.54 million. Impressively, year-to-date figures compared to the same period of 2014 show an increase of \$14.2 million.

In contrast, March 2015 revenue for the River Counties is off nearly \$12.4 million or 12 percent from March 2014.

Table 1: Mississippi Gaming Revenues

	Gulf Coast	River Counties	Overall
Mar 2015	107,370,246	90,960,800	198,331,045
Mar 2014	104,834,926	103,338,442	208,173,368
Mar 2013	102,002,980	112,097,124	214,100,104
Mar 2012	101,574,395	118,824,076	220,398,471
Mar 2011	96,913,431	115,224,804	212,138,235
2015 vs. 2014	2.4%	-12.0%	-4.7%
	Gulf Coast	River Counties	Overall
YTD 2015	289,874,835	254,357,225	544,232,060
YTD 2014	275,651,447	274,374,475	550,025,922
YTD 2013	274,006,485	288,801,620	562,808,104
YTD 2012	287,784,931	323,774,087	611,559,018
YTD 2011	288,319,692	322,347,145	610,666,837
2015 vs. 2014	5.2%	-7.3%	-1.1%

The 2015 Legislative Session Comes to a Close

When the legislative session began, I said it was going to be a quiet year. Boy was I wrong. I think this has been one the busiest and craziest years I have ever seen in our legislature. From the MGHA perspective, we undertook an effort to find a way of using part of the "bond sinking fund" to help promote visitation, tourism and gaming in our state. It began with a road trip that started with Mike and Cathy on the Gulf Coast, and continued with the three of us going from Vicksburg, to Greenville to Tunica. Our objective was to educate our members about the "bond sinking fund" and, if a portion of it could be directed to an gaming tourism economic development fund, how might those funds be utilized. We heard from almost every casino operator in our state, and the ideas we heard were

simply fantastic. I think we came up with an amazing list of ideas of how to help our industry while also attracting more visitors to our state. At the last hour, things did not go our way with HBI630, but I want to thank all of you for the time, attention and energy you put into this effort. I know we will be meeting with our Legislative Committee in the coming weeks to discuss next year.

We have a summary of SB 2906 (the "\$250 million bond bill") and a summary of HB 1630 ("bond sinking fund") as it was passed. We sent the summaries out to members via email, but if you did not receive one, please let us know and we will be glad to get a copy to you.

We will keep you posted as we move ahead with plans for next year.

Larry

What is Convenience Gaming All About?

By: Mike Bruffey, MGHA Deputy Director



Earlier this month I spoke to a group of businessmen during a luncheon and provided an overview the [MGHA State of the State Annual Report: Mississippi Gaming 2015](#). We discussed the declines in Tunica. I referenced the graphs in the 2014 report showing the decline of coin-in in the river casinos during and immediately following the floods of May 2011. The audience knew things in Tunica have been on the decline, but they did not know what caused it to happen. As I explained, the 25 day period when the casinos closed in May 2011 represented the “tipping point” ultimately changing visitation patterns of those coming from Arkansas and Tennessee. In June 2011, when the Mississippi casinos reopened for business, some of the visitors from Arkansas and Tennessee returned, but not all, many having experienced the “more convenient gaming” found at Southland Park in West Memphis, Arkansas. Today, if you compare 2011 visitation numbers with 2014 numbers, you will find there has been a 42% decline in visitation from these two states. Interestingly, in 2013, the American Gaming Association (AGA) published statistics about visitors to casinos. The AGA reported that 53% of those visiting casinos enjoy taking part in activities outside the casino. The inverse of this statistic is that 47% do not, which means about half of the customers that come to the casino come for the casino experience. What we have seen is that this group of visitors can be lost to a more convenient casino option. This has been termed the “threat of convenience gaming.” In Tunica’s case, the convenience of Southland Park has resulted in dramatic declines in Tunica (as noted a 42% decline in visitation from AR and TN since 2011). Today, I think most will agree that our challenge is to increase visitation. Mississippi has much to offer visitors from its food, culture, historical parks, family activities as well as first class gaming facilities. The key is to let people know about us and to provide those who want to visit with a means to do so. [to be continued]

Mississippi Metrics

Table 2: Quarterly Survey Information - Casino Employment Levels *Source: Mississippi Gaming Commission*

<i>Biloxi-Gulfport</i>	<i>4Q 2014</i>	<i>4Q 2013</i>	<i>Change</i>	<i>Natchez</i>	<i>4Q 2014</i>	<i>4Q 2013</i>	<i>Change</i>	<i>Tunica/Lula</i>	<i>4Q 2014</i>	<i>4Q 2013</i>	<i>Change</i>
Beau Rivage	2,928	2,725	7%	Isle of Capri	239	246	-3%	Bally's	388	414	-6%
Boomtown	433	528	-18%	Magnolia Bluffs	211	227	-7%	Fitzgerald's	619	672	-8%
Harrah's Gulf Coast	762	794	-4%	Total for Natchez	450	473	-5%	Gold Strike	1,325	1,347	-2%
Hard Rock Casino	1,018	1,006	1%					Hollywood	513	514	0%
IP Casino Resort Spa	1,457	1,605	-9%					Horseshoe	1,379	1,495	-8%
Island View	1,206	1,207	0%	<i>Vicksburg</i>	<i>4Q 2014</i>	<i>4Q 2013</i>	<i>Change</i>	Isle of Capri	435	442	-2%
Golden Nugget	1,067	891	20%	Ameristar	727	773	-6%	Resorts	427	482	-11%
Palace Casino	708	686	3%	Diamondjacks	342	355	-4%	Sam's Town	662	605	9%
Treasure Bay	603	601	0%	Lady Luck	295	322	-8%	Tunica Roadhouse	499	498	0%
				Riverwalk	385	430	-10%				
Total for BLX-GPT	10,182	10,043	1%	Total for Vicksburg	1,749	1,880	-7%	Total for Tunica Area	6,247	6,469	-3%
<i>Hancock County</i>	<i>4Q 2014</i>	<i>4Q 2013</i>	<i>Change</i>	<i>Greenville</i>	<i>4Q 2014</i>	<i>4Q 2013</i>	<i>Change</i>				
Hollywood Casino	649	661	-2%	Harlow's	481	460	5%				
Silver Slipper	461	461	0%	Trop Casino	165	208	-21%				
Total for Hancock Cty	1,110	1,122	-1%	Total for Greenville	646	668	-3%	Total for State	20,384	20,655	-1%

Table 3: Quarterly Survey Information - Select Revenue and Expenses *Source: Mississippi Gaming Commission*

<i>Reported Gross Revenues (\$ Million)</i>				<i>Reported Payroll Expenses (\$ Million)</i>				<i>Reported Advertising/Promo Expenses (\$ Million)</i>			
	<i>4Q 2014</i>	<i>4Q 2013</i>	<i>Change</i>		<i>4Q 2014</i>	<i>4Q 2013</i>	<i>Change</i>		<i>4Q 2014</i>	<i>4Q 2013</i>	<i>Change</i>
Gulf Coast	\$368.3	\$359.6	2%	Gulf Coast	\$89.9	\$93.3	-4%	Gulf Coast	\$12.3	\$11.9	3%
Central River	\$92.1	\$93.6	-2%	Central River	\$22.8	\$22.4	2%	Central River	\$3.9	\$3.5	11%
North River	\$211.2	\$230.3	-8%	North River	\$49.4	\$61.3	-19%	North River	\$9.6	\$9.5	1%
State	\$671.6	\$683.5	-2%	State	\$162.1	\$177.0	-8%	State	\$25.8	\$24.9	4%

MGHA's Website

Over the past few months, we have worked hard to provide updates to our website. If you go to www.msgaming.org you will be able to find a full list of our casino members as well as our associate members. Also, you will see that we have provided you with access to view the annual reports for 2014 and 2015. We are working to add gaming news and other information to keep you informed of the latest in gaming news. You can help with this endeavor. *Please feel free to drop us a line if you come across information that you believe will be of interest to our members.* Of course, if any information about your company needs to be updated, please let us know and we will have it done right away.

You can email Larry at lgregory@msgaming.org or Mike at mikebruffey@msgaming.org.

Del Vescovo Honored by USM

www.passionsofthepalate.com

The **University of Southern Mississippi's Hotel, Restaurant and Tourism Department** held its 11th annual Passions of the Palate, April 13, 2015 at The Lake Terrace Convention Center. It attracts an elite group of attendees from Hattiesburg and the surrounding areas. The proceeds from this event help promote student learning outside of the classroom. This year **Anthony Del Vescovo** was honored as **Passions Partner of the Year** for his commitment and contribution to the program over the past few years.

Upcoming Events in May

Southern Gaming Summit
(May 5-7)

www.sgsummit.com

John Hairston Farewell
(May 20 at 6 pm)

Carter & Green Steakhouse

MGHA Quarterly Meeting
(May 6 at 1 pm to 3 pm)

MS Coast Coliseum (Room: tba)

MGC Meeting

(May 28 at 9 a.m.)

MGC Office in Jackson

Regional Statistics

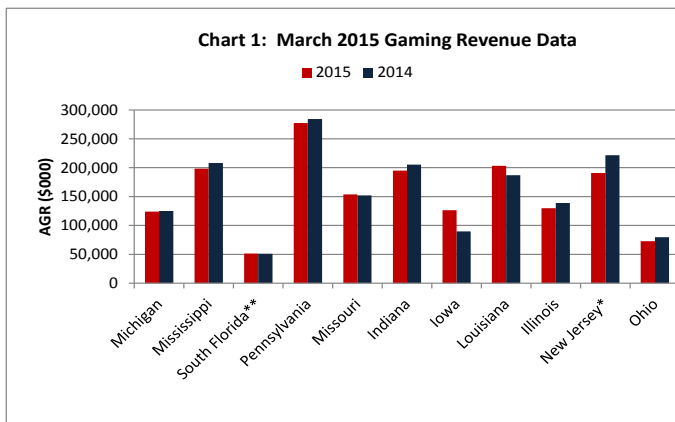


Table 4: AGR Summaries (\$000)

	Mar '15	Mar '14	Change	Trailing 3 Mos. Current	Trailing 3 Mos. Prior Yr.	Change
Michigan	123,904	124,937	-0.8%	349,348	331,594	5.4%
Mississippi	198,331	208,173	-4.7%	544,232	550,026	-1.1%
South Florida**	51,134	50,971	0.3%	147,880	140,769	5.1%
Pennsylvania	277,483	284,149	-2.3%	771,590	752,974	2.5%
Missouri	153,602	152,073	1.0%	428,330	413,076	3.7%
Indiana	194,872	205,200	-5.0%	547,881	535,988	2.2%
Iowa	126,217	89,594	40.9%	354,641	236,172	50.2%
Louisiana	203,404	187,026	8.8%	582,365	520,649	11.9%
Illinois	129,861	138,696	-6.4%	355,065	361,667	-1.8%
New Jersey*	190,713	221,480	-13.9%	544,738	606,885	-10.2%
Ohio	72,885	79,586	-8.4%	205,205	206,028	-0.4%

* Excludes \$13.2 million in online gaming revenue
**South Florida only includes slots at racetracks

Mississippi Gaming Statistics

February 2015 Table Game Analysis

Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	North River Summary	
North River	Win	5,794,753	1,391,480	492,556	742,850	1,115,180	Win	9,536,819
	WPUD	\$1,408	\$1,911	\$977	\$1,327	\$866	WPUD	\$1,325
	Units	147	26	18	20	46	Units	257
	Unit Mix	57.2%	10.1%	7.0%	7.8%	17.9%		
	Drop	23,994,664	12,325,393	2,378,676	1,987,432	5,045,579	Drop	45,731,744
	% of Drop	52.5%	27.0%	5.2%	4.3%	11.0%	As % Prior year	84.9%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	South River Summary	
South River	Win	2,069,463	660,459	136,620	201,496	224,651	Win	3,292,689
	WPUD	\$1,137	\$1,814	\$697	\$900	\$1,146	WPUD	\$1,176
	Units	65	13	7	8	7	Units	100
	Unit Mix	65.0%	13.0%	7.0%	8.0%	7.0%		
	Drop	9,594,636	2,850,109	677,541	615,399	708,407	Drop	14,446,092
	% of Drop	66.4%	19.7%	4.7%	4.3%	4.9%	As % Prior year	90.9%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	Gulf Coast Summary	
Gulf Coast	Win	5,045,763	2,436,811	1,157,280	1,356,463	4,424,442	Win	14,420,759
	WPUD	\$733	\$2,417	\$1,333	\$1,730	\$1,699	WPUD	\$1,187
	Units	246	36	31	28	93	Units	434
	Unit Mix	56.7%	8.3%	7.1%	6.5%	21.4%		
	Drop	40,334,502	15,527,290	5,006,779	4,433,386	22,361,670	Drop	87,663,627
	% of Drop	46.0%	17.7%	5.7%	5.1%	25.5%	As % Prior year	105.6%

February 2015 Slot Analysis

Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	North River Summary	
North River	Win	28,665,828	905,955	3,556,357	6,841,878	4,119,920	Win	44,089,938
	WPUD	\$177	\$134	\$133	\$210	\$204	WPUD	\$178
	Units	5,779	242	952	1,165	722	Units	8,860
	Unit Mix	65.2%	2.7%	10.7%	13.1%	8.1%		
	Coin In	306,636,143	12,528,347	48,537,625	96,520,853	56,934,834	Coin In	521,157,804
	% of Coin in	58.8%	2.4%	9.3%	18.5%	10.9%	As % Prior year	79.3%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	South River Summary	
South River	Win	21,767,736	474,503	1,399,184	3,128,097	881,935	Win	27,651,454
	WPUD	\$184	\$92	\$102	\$150	\$206	WPUD	\$171
	Units	4,217	185	490	743	153	Units	5,788
	Unit Mix	72.9%	3.2%	8.5%	12.8%	2.6%		
	Coin In	226,867,937	9,937,823	20,455,152	49,811,408	15,520,425	Coin In	322,592,745
	% of Coin in	70.3%	3.1%	6.3%	15.4%	4.8%	As % Prior year	97.4%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	Gulf Coast Summary	
Gulf Coast	Win	54,310,646	2,895,443	8,160,038	9,870,222	4,524,404	Win	79,760,754
	WPUD	\$207	\$171	\$198	\$227	\$290	WPUD	\$210
	Units	9,370	603	1,473	1,553	558	Units	13,557
	Unit Mix	69.1%	4.4%	10.9%	11.5%	4.1%		
	Coin In	605,906,627	51,898,576	143,743,581	158,122,608	84,021,916	Coin In	1,043,693,308
	% of Coin in	58.1%	5.0%	13.8%	15.2%	8.1%	As % Prior year	105.1%

[Casino Member Directory](#)

- Ameristar Casino Hotel, Vicksburg
- Bally's Casino, Tunica
- Beau Rivage Resort Casino, Biloxi
- Boomtown Casino, Biloxi
- DiamondJacks Casino & Hotel, Vicksburg
- Fitz Casino & Hotel, Tunica
- Golden Nugget Biloxi
- Gold Strike Casino Resort, Tunica
- Hard Rock Casino, Biloxi
- Harlow's Casino Resort, Greenville
- Harrah's Gulf Coast, Biloxi
- Hollywood Casino Gulf Coast
- Hollywood Casino, Tunica
- Horseshoe Casino, Tunica
- IP Casino Resort Spa, Biloxi
- Island View Casino Resort, Gulfport
- Isle of Capri, Lula
- Isle of Capri, Natchez
- Lady Luck Casino, Vicksburg
- Magnolia Bluffs Casino, Natchez
- Palace Casino Resort, Biloxi
- Resorts Tunica Hotel & Casino
- Riverwalk Casino Hotel, Vicksburg
- Roadhouse Casino, Tunica
- Sam's Town Hotel & Gambling Hall, Tunica
- Silver Slipper Casino, Bay St Louis
- Treasure Bay Resort, Biloxi
- Trop Casino, Greenville

For a list of MGHA Associate members, visit www.msgaming.org.

Featured Associate Member of the Month:

[The Focus Group](#)

FG Wins Award of Excellence for MGHA Annual Report

"We are extremely proud of our team, and our client partnerships that allow us to step outside of the box! We strive to create high quality work, and receiving top accolades from well-respected peers outside of our immediate area is an added bonus," said Allison Buchanan, general manager of The Focus Group.

Go to www.focusgroupms.com to read more...

The **Mississippi Gaming & Hospitality Association (MGHA)*** is a non-profit organization made up of casino operators and vendors whose mission it is to protect and enhance the reputation and success of the gaming industry within the State of Mississippi. We seek to accomplish our mission by:

- ◆ Cooperating with government officials in advancing the gaming industry's common goals and objectives;
- ◆ Promoting comprehensive and fair regulation of the gaming industry to insure integrity at all levels of operation;
- ◆ Advocating fair and reasonable taxation of the industry, which will permit operators to maximize employment opportunities and re-invest, expand and improve existing facilities;
- ◆ Promoting and participating in public education throughout Mississippi regarding the benefits of casino gaming, including job creation, economic development and how the industry can help the State in maximizing its tax revenues; and
- ◆ Supporting and enhancing responsible gaming programs and offering education and assistance to individuals with gambling problems

For questions about membership or the content of this report please contact us via email at lgregory@msgaming.org or mikebruffey@msgaming.org.

**The MGHA was originally chartered in 1993 as the Mississippi Casino Operators Association (MCOA). In March 2013, the Board of Directors voted to change the name of the association to better reflect its mission.*



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Pat Zimmerman's Corner



As I write this column, I am attending a legal conference at one of our coast resorts. Despite how critics of gaming try to vilify the industry, our casinos epitomize southern hospitality. Our casinos employ thousands of Mississippians in well-paying and enjoyable jobs. Our casinos provide our state with much needed tax revenue. And, importantly, whether it's the patron hoping to make it big with the roll of dice or

the valet hoping to make it big climbing to the top of the corporate ladder, our casinos provide opportunities that would not otherwise be available in this state. I am proudly associated with this dynamic industry and the opportunities it provides. As an associate member of the MGHA and contributing editor to this newsletter, I am looking forward to working with Larry and Mike to bring you highlights of the gaming industry each month. Please feel free to contact me at 601-376-9741 or pat@zimmermanlawfirm.ms with any questions or suggestions.