



The State of Mississippi Gaming 10 Years Post Katrina

August 29, 2015



MGHA is a 501(c)(6) non-profit association.

Our office is located

120 N. Congress Street, Ste. 420

Jackson, MS 39201

Website: www.msgaming.org

Larry Gregory, Executive Director

Michael Bruffey, Deputy Director



MGHA Members

28 members

operating casinos – voting members

30 associate members

Businesses / associations – non-voting members



Our Mission

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



Resources for Data

www.msgaming.org

Annual Report

Monthly Newsletter

Studies & Analysis

Presentations

Southern Gaming Summit



Annual Report 2015

Highlights of 2014

4th Largest Industry in Mississippi

37,000 jobs - \$1.5 billion in labor income



2014 Highlights Continued

Gaming Revenue - \$2.07 billion

Total Revenue - \$2.8 billion

Jobs – 21,500 direct jobs

Unemployment Rate – 7.7%

Without Gaming – 11.7%

\$106 million in advertising/promotions

\$935 million in tax

\$333 million in Federal taxes

\$353 million in State & Local taxes

\$248 million Gaming Taxes

- \$84 million – local jurisdictions
- \$36 million – bond sinking fund
- \$127 million – general fund



Gaming Taxes of \$248 million
Support 6,200 Teaching Jobs
or approximately 20% of
Teachers in MS*

*Based on 32,000 teachers with an
average annual salary of \$40,000



Challenges of our Industry



Natural Disaster – Hurricane Katrina

August 29, 2005













Recession Hits September 2008







GASOLINE

A Tesoro
Company

Unleaded 3.89 ⁹/₁₀

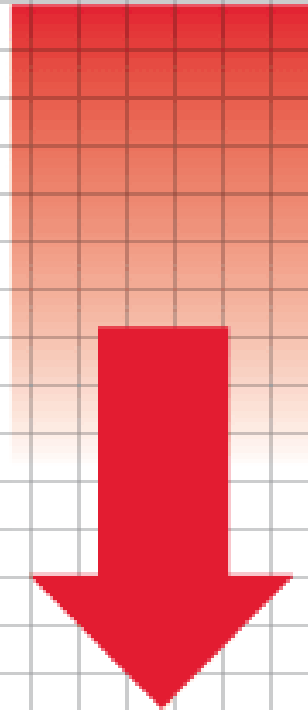
Unleaded Plus 3.99 ⁹/₁₀

Unleaded Premium 4.19 ⁹/₁₀

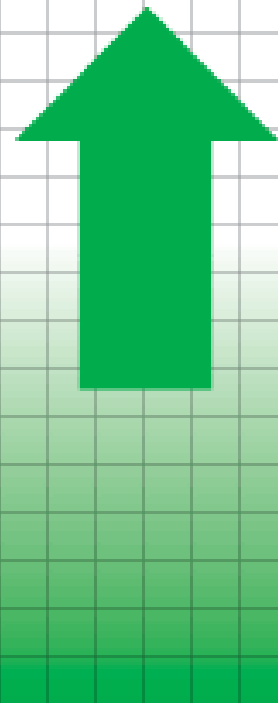
Diesel #2 4.65 ⁹/₁₀



Recession



GNP



unemployment



BP Oil Spill

April 2010





Courtesy of Yuki Kokubo. www.yukikokubo.com







Tunica Floods

May 2011







The Proliferation of Gaming Continues

June 2015

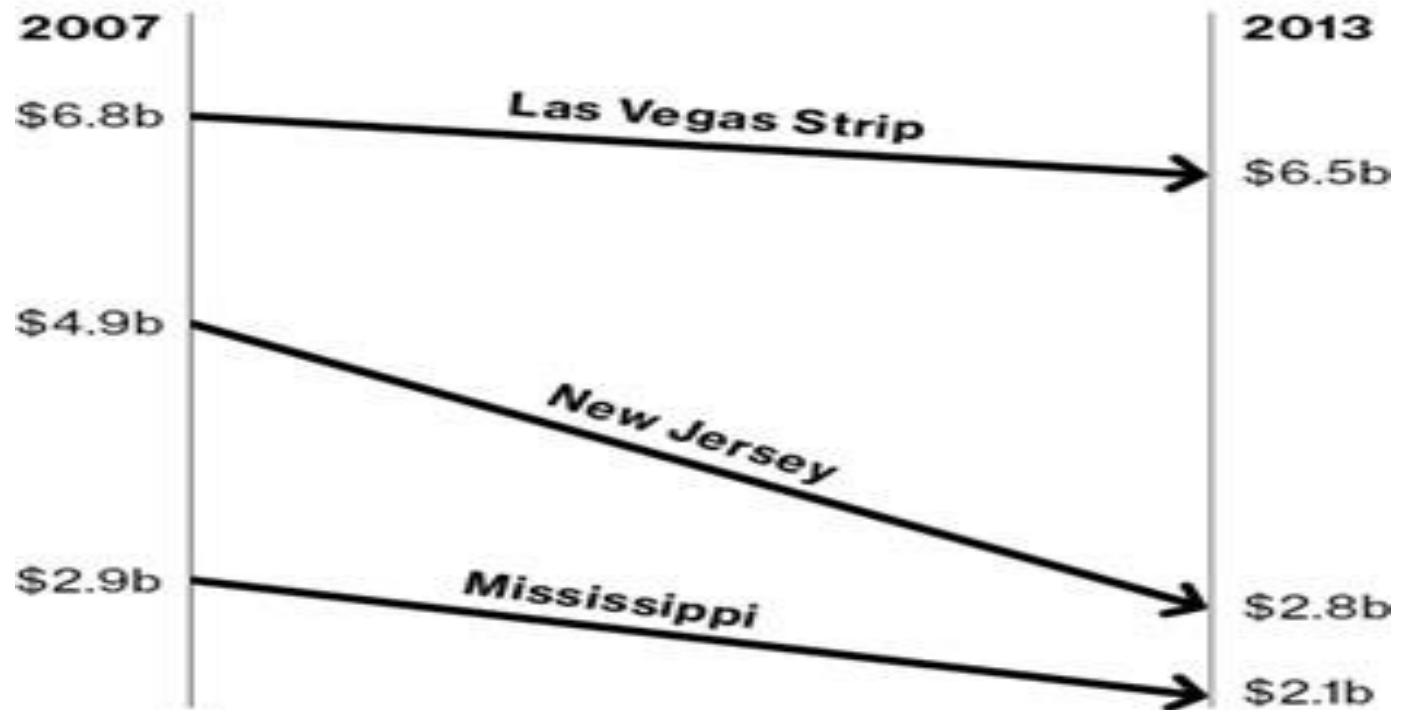
Plain Ridge Slot Parlor opens Making
Massachusetts 40th state to operate gaming
facilities.

<https://www.bostonglobe.com/metro/2015/06/21/casino-era-begins-massachusetts-with-jangle-slot-machines-plainville/oAdx1HoedNPBWL2FK4VuEJ/story.html>

[Image of Casino Floor Plan](#)

Impact

Gambling Revenue



GRAPHIC BY BLOOMBERG BUSINESSWEEK;
DATA: COMPILED BY BLOOMBERG

Impact

5% Decline in LV

28% Decline in MS

43% Decline in NJ

Understanding Threat of Convenience Gaming

AGA Reports that 53% of Casino-Goers
enjoy activities outside the casino

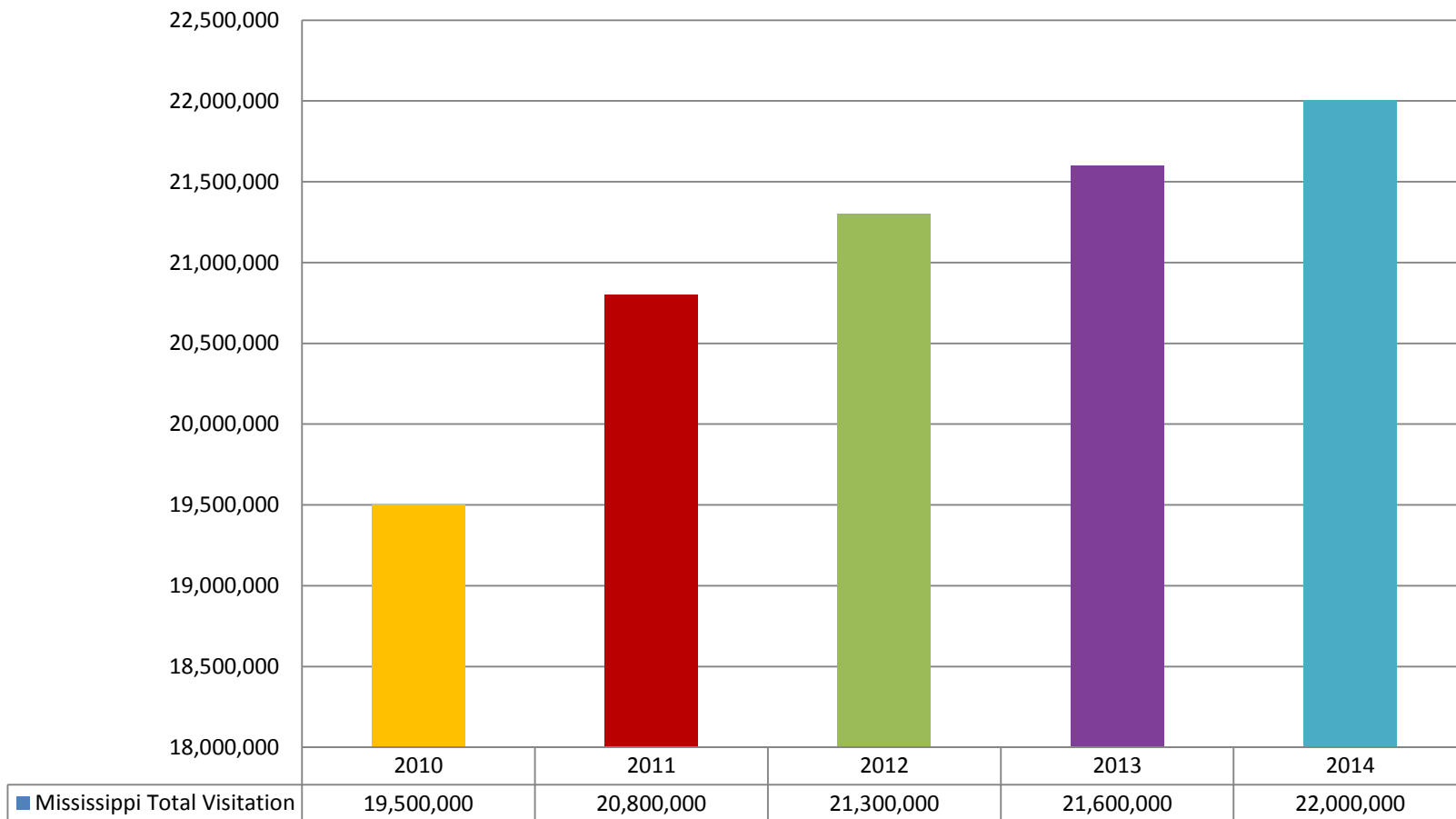
The inverse of this statistic is that
47% of Casino-Goers do not

*Thus, if a more convenient “gaming option” appears
we stand to lose that customer visit*

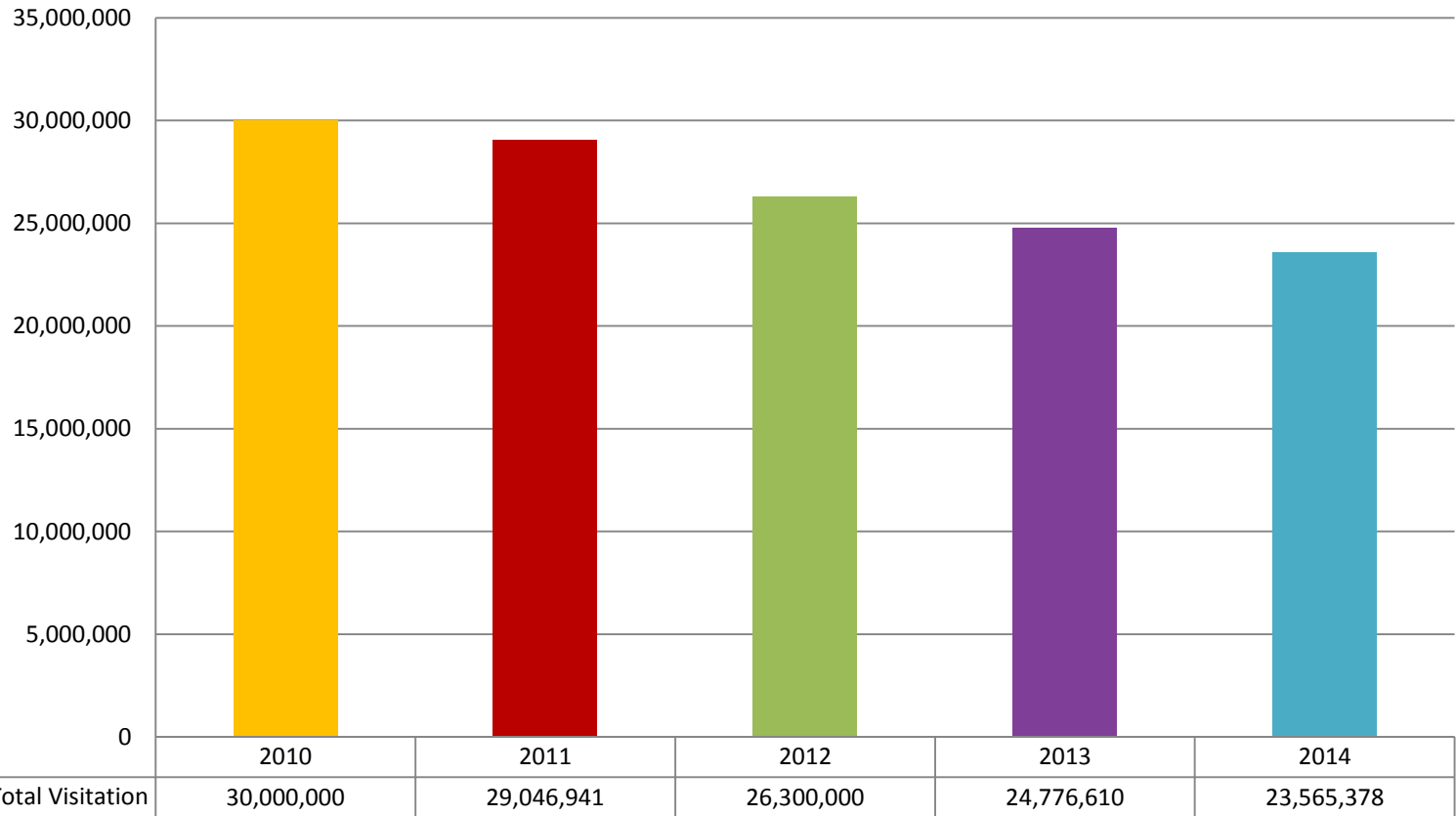


A look at Mississippi visitation and capital /
investment numbers...

Mississippi Total Visitation



Mississippi Total Casino Visitation



Gulf Coast Region - 2014

15.3 million visitors; 1/3 of those from MS

11,700 direct employees

Key States: AL, FL, GA, LA = 50% of visitors

14.4 % decline in visitation from these 4 states

AGR \$1.08 billion

Total Revenue \$1.535 billion

Gulf Coast Out of State Visitation Trends Since 2011

Alabama 2011 (2.971 million) → 2014 (2.845 million)

Florida 2011 (2.504 million) → 2014 (2.361 million)

Georgia 2011 (1.364 million) → 2014 (1.032 million)

Louisiana 2011 (4.253 million) → 2014 (3.260 million)

14.4 % decline (from 50% pool)



Central Region - 2014

3.08 million visitors; 70% of those from MS
3,000 direct employees

Key State: LA = 15% of visitors
23.4% decline from LA

AGR \$307 million
Total Revenue \$387 million

Central Region Out of State Visitation Trends since 2011

Louisiana 2011 (4.253 million) → 2014 (3.260 million)

23.4 % decline (from 15% pool)



Northern Region - 2014

5.2 million visitors; 30% MS

6,500 direct employees

Key States: AR/TN= 50% of out of state visitors

42% decline in out of state visitation from AR/TN

AGR \$687 million

Total Revenue \$936 million

Northern Region Out of State Visitation Trends since 2011

Arkansas 2011 (1.8 million) → 2014 (1.1 million)

Tennessee 2011 (3.3 million) → 2014 (1.8 million)

42% decline (from 50% pool)

Tunica Today

[Images of Tunica as of June 2015](#)

(photos by Scott Hollis)

(images available at www.msgaming.org under Studies & Analysis tab)

Gulf Coast Capital Investment Since 2011

Palace Casino: \$50 million

IP Casino: \$288 million + \$60 million

Golden Nugget: \$50 million + \$100 million

Hard Rock: \$250 million + \$32.50 million

Harrah's Gulf Coast: \$30 million

→ continued ...

Gulf Coast Capital Investment continued ...

Silver Slipper: \$17.5 million

Island View: \$60 million

MGM Park: \$32.5 million

Scarlett Pearl: \$250 million

Total: over \$1.5 billion



Impact of Capital Investment



Mississippi Gaming Numbers Year End 2014



MGC General Conclusions and Specifics 2014

	Year End 2014	Year End 2013
North River Region	\$687,683,015	\$748,905,815
South River Region	\$307,866,406	\$326,594,658
Gulf Coast Region	\$1,078,635,757	\$1,066,855,458
Total	\$2,074,185,178	\$2,142,355,931



Mississippi Gaming Numbers 1st Quarter 2015



MGC Report Results

1st Quarter 2015

Region	1 st Quarter GGR	
North River Region	\$168,540,642	-11%
South River Region	\$86,464,499	<1%
Coastal Region	\$290,321,914	6%
Total	\$545,327,055	



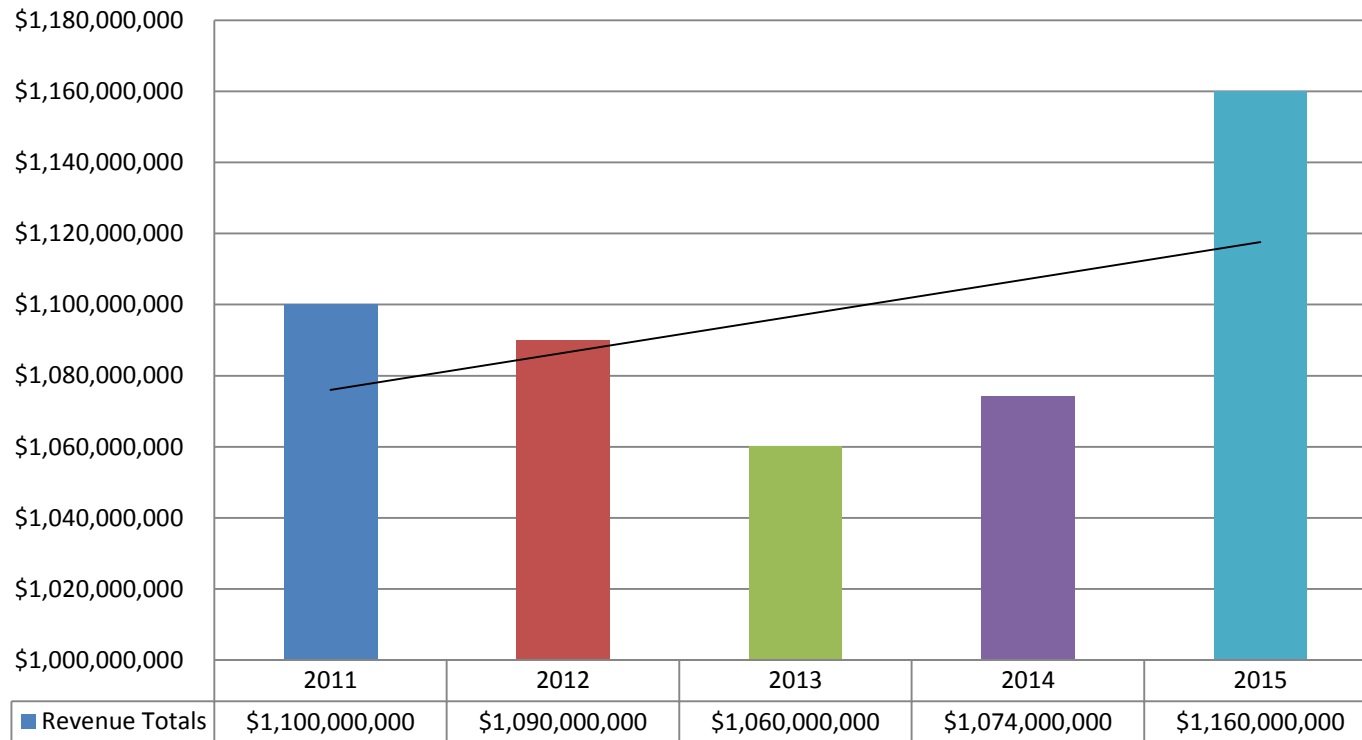
Numbers through July 2015



	July 2015	July 2014
Tunica Region	\$58,861,073	\$59,457,073
Lower River Region	\$26,963,616	\$25,206,418
Coastal Region	\$104,621,759	\$95,649,925
TOTAL	\$190,446,448	\$180,313,416

	Year to Date 2015	Year to Date 2014
Tunica Region	\$394,688,210	\$418,482,098
Lower River Region	\$191,459,087	\$187,235,444
Coastal Region	\$685,369,852	\$635,602,080
TOTAL	\$1,271,517,149	\$1,241,319,622

Estimated Gulf Coast Gaming Revenue - 2015





Gaming Tourism Collaboration

*More Visitors to Mississippi =
More Casino Visits*

MDA Tourism Reports
21.6 million visitors to MS

Casino Operators Report
15.3 million out of state visitors

71% of visitors to MS visit a casino

Gaming Tourism Roundtable



Presentation
Available at
www.msgaming.org

A Strategic Approach

5 Drivers of Visitation

Gaming

Non-Gaming Amenities

Special Events

Marketing

Access



Discussion of Different Visitation Drivers:

Casinos

AGA Annual 2013 Report

53% of visitors to casino engage in tourism activities outside casino
65% in a younger demographic

MS Statistics

In 2014, 15 million out of state visits to a MS casino
In 2014, over \$106 million spent on advertising and promotions

LA Statistics

In 2014, 30 million visits to LA casinos/racinos

Non-Gaming Amenities

2011 PWC Study

Rule 1.5 of MGC

Effective Jan 1, 2014: A project will now include an amenity unique to market and will encourage economic development and promote tourism.

2014 MS Casino Total Revenues: \$2.86 billion

Gaming: \$2.08 billion

Non-Gaming \$780 million = 27%

Special Events

Louisiana Marathon

Began in 2012

3 days long.

6,476 Race participants (66% non-local)*

\$3.6 Million Est Spend *

** Study done by Kent State on 2014 race.*

Cruisin' the Coast

Began in 1996, 2014 was 18th Cruisin'

8 days long

7,293 Registered participants in 2014 (93% non-local)

More than 100,000 spectators over the 8 days

\$25 Million Estimated Spend in Mississippi

**Study done by Bradley Research Group*

Special Events

Mardi Gras

Began in 1718.

Season length varies.

New Orleans study, by Tulane University & Freeman Consulting Group. showed that:

In 2014 it contributed \$465 million in spending which equals \$17.5 million in tax revenues.

NOLA's MG impact had a 54% growth from 2011.

** Office of Tourism has not performed an economic impact for state-wide Mardi Gras due to scope and subsequent cost.*



Marketing

Regionalism (One Coast)
CVBs and MDA Tourism

Direct Spend Ratios

MS - \$6.46 to \$1 on advertising

LA - \$17 to \$1 on advertising

Raleigh Durham - \$25 to \$1 advertising





TUNICA AIRPORT

Access

Drive In Customers

Road Maintenance

Gateways / Beautification



Air Service

Low cost carrier



Gulfport-Biloxi International Airport

We Make Flying Easier.

MSAs with Soundest Economic Strength Indicators

Low Tax Rates

Reasonable Labor Costs

Public Private Investment

<http://msgaming.org/leading-locations-for-2015-the-msas-with-soundest-economic-strength-indicators-area-development/>



Mississippi Follows Sound Principles for Economic Strength

Among the Lowest in US in Gaming Tax Rate

Reasonable Labor Cost

Supports Public Private Investment

General Government Support

5 Drivers of Visitation

Gaming – No Tax Increase

Non-Gaming Amenities – Investing in Public-Private

Special Events – General Support

Marketing – Funding for MDA, MTA & CVBs

Access – Funding for Air Service &

Road Maintenance/Gateways

Gaming & Government Action

What is Needed To Compete for Millennials:

Skill Based Games

Online Gaming

Fantasy Sports

Sports Betting

Gaming & Government Action

The Fight Against Illegal Gaming

<http://msgaming.org/aga-convenes-illegal-gambling-advisory-board/>

Illegal sports betting

Black market machines

Internet sweepstakes cafes

Illegal online betting



Discussion & Questions



For More Information

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