

MGHA QUARTERLY REPORT



JAN-MARCH
2017



Message from Executive Director

It is hard to believe that it was six months ago that we were getting back from G2E having celebrated with Allen Godfrey his winning moment as *Regulator of the Year for North America*. Since then, we released the *2017 MGHA State of the Industry Report*, we held the *2017 MTA/MGHA Legislative Reception*, we had a very busy *2017 Legislative Session*, we represented the MGHA at the MGC hearings held in February, which was followed by the March MGC meeting when the commission found the two proposed sites illegal (for the second time). In the next quarter report we will highlight the *South-ern Gaming Summit* and our second quarter board meeting to be held May 3. Later in the summer, we will be celebrating *25 Years of Mississippi Gaming*. We look forward to celebrating this milestone with all of you.

The 1st Quarter of 2017 Off to Slow Start

	January 2017	January 2016
Tunica Region	\$44,789,349	\$53,547,064
Lower River Region	\$22,116,915	\$23,517,530
Coastal Region	\$99,100,171	\$100,567,260
MONTH TOTAL	\$166,006,435	\$177,631,854

	February 2017	February 2016
Tunica Region	\$50,503,019	\$55,055,030
Lower River Region	\$26,304,386	\$30,280,404
Coastal Region	\$95,120,543	\$104,706,835
MONTH TOTAL	\$171,927,948	\$190,042,542

	March 2017	March 2016
Tunica Region	\$59,959,324	\$57,336,073
Lower River Region	\$31,272,939	\$28,067,910
Coastal Region	\$110,040,579	\$103,291,803
MONTH TOTAL	\$201,272,842	\$188,695,786
QUARTER TOTALS	\$539,207,225	\$556,060,182

After enjoying steady increases since 2014, Gross Gaming Revenues (GGR) fell in the first quarter of 2017. With the month of March arrived tax re-funds and more visitors enjoying our warmer climate and hospitality. With this, GGR came back strong. By quarter's end, the Tunica region was down 6.4%; the Central was down 2.8% and the Gulf Coast region was down 1.5%.

2017 Annual Report and Legislative Reception

January 25, 2017 was a big day. We rolled out the annual report at the State Capitol and held our first quarter board meeting. Note the cover includes our logo we designed to commemorate 25 years of gaming in Mississippi.



That evening we partnered with the Mississippi Tourism Association to co-host a legislative reception where we saw Gov. Bryant and his wife as well as Lt. Gov. Reeves and his wife in attendance. It was a great day for our industry.

TBT—The Blind Tiger—Flip Flops, Great Food, Amazing Views

Harrah's Gulf Coast and Chef Thomas Genin have partnered with one another to bring The Blind Tiger to East Biloxi. The highly-anticipated encore restaurant opened on The Great Lawn across from Harrah's Gulf Coast in early February, and service hasn't slowed down since. Genin's fresh, never frozen food philosophy and "come as you are" mentality, resonates with residents and visitors of the region. Their delicious food, coupled with the open-air bar and restaurant's stunning views of the Gulf of Mexico, creates an atmosphere indicative of the coastal region, and offers another enticing draw for local foodies. An added perk? Guests that belong to Total Rewards, Harrah's loyalty program, may redeem their earned Reward Credits while dining at the new restaurant.



USM's Passions of the Palate & Chef Katie Dixon



For the thirteenth year in a row, the University of Southern Mississippi Department of Economic Development, Tourism and Sport Management hosted the *Passions of the Palate*. This fundraiser event, planned and executed by students in the Convention Management class, was an elegant and memorable event for anyone who attended. Advisors and students were proud to host this event at the **Lake Terrace Convention Center in Hattiesburg, Mississippi**. The

theme for this year's event was *Taste of Spring* and included a silent auction featuring the South's finest hotels, winery, and art throughout the night. Thank you all for supporting this great event! For information about participating in next year's event, contact Dr. Wei Wang, 118 College Drive Box 5022, Hattiesburg, MS 39406 or contact USM at: usmpassionsofthepalate@gmail.com or check the Facebook page: University of Southern Mississippi Passions of the Palate.

Mississippi native **Chef Katie Dixon** most known for her appearance on Season 7 of *MasterChef* appeared as the featured chef for the event. Before her appearance, Chef Katie attended The University of Southern Mississippi in Hattiesburg, Mississippi, graduating in Marketing. She was not only the featured chef for this event, but agreed to be one of the chefs at Southern Gaming Summit.



Chefs Cooking with Craft Brewers at SGS



Chef Katie Dixon (pictured above) along with **Chef Regina Charboneau** and **Chef David Crabtree** (pictured left) will be cooking for us at **Southern Gaming Summit (May 2-4, 2017)**. In the past, the chefs participated in a one hour cooking demo. This year, they will be cooking on Wednesday, each taking a two hour shift cooking with featured Mississippi craft brewers. On Thursday, they will team up and feature their favorite dishes. We are so excited about this new concept pairing some of Mississippi finest chefs with some of Mississippi's finest brewers. This is made possible through the generous support of our chefs and three associate members: **Sysco**, **FEB Distributing** and **Mitchell Distributing** (formerly Rex Distributing).



Special Thanks



Sen. Tommy Gollott for helping us roll out the annual report.



Michael & Mary Sunderman of M2 Media for publishing this year's annual report.

MGHA Quarterly Meetings

MGHA 1st Quarter Meeting

January 25, 2017

MGHA 2nd Quarter Meeting

May 3, 2017

MGHA 3rd Quarter Meeting

September 20, 2017

MGHA 4th Quarter Meeting

December 20, 2017

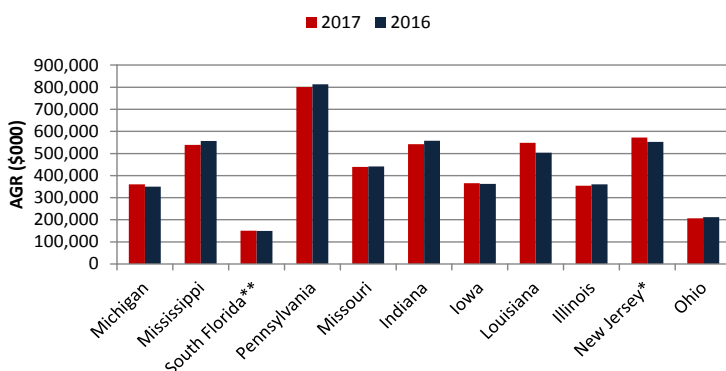
Workforce Development – A Regional Effort

In March, the University of South Alabama hosted the Hospitality Workforce Development Summit at the Mobile Convention Center. It was there that MGHA was introduced to a cast of talented and energetic business leaders all talking about one thing: workforce development for the hospitality and tourism industry. From that meeting was borne the concept of brining workforce development to Southern Gaming Summit. This year, we are honored to have as panelists: Wanda Gispert-Smith (MGM), Dr. Evelyn Green (USA), Dr. Jason Pugh (MGCCC), Dr. Ali Green (UWF) and Dr. Wei Wang (USM) and our moderator Gary Burrus (Majestic Star Casino & Hotel). In addition to the educational session, the group will participate in a booth. The concept is to provide the audience with information about a career in gaming and for those in gaming to learn about how to advance in their own careers. The universities offer a variety of curriculum that they will be able to share with the audience.



Regional Statistics—1st Quarter 2017

Chart 1: 1st Quarter 2017 Gaming Revenue Data



AGR Summaries (\$000)

	Q1 2017	Q1 2016	Change
Louisiana	547,974	503,847	8.8%
New Jersey*	572,618	552,912	3.6%
Michigan	360,450	350,417	2.9%
South Florida**	150,447	149,165	0.9%
Iowa	365,301	362,358	0.8%
Missouri	439,349	440,816	-0.3%
Illinois	354,568	359,935	-1.5%
Pennsylvania	801,014	813,427	-1.5%
Ohio	206,526	211,336	-2.3%
Indiana	542,317	557,805	-2.8%
Mississippi	539,207	556,194	-3.1%

* Excludes \$59.3 million in online gaming revenue

**South Florida only includes slots at racetracks

Mississippi Gaming Statistics (Jan.-March 2017)

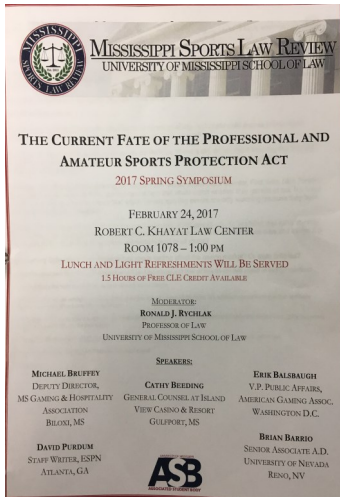
First Quarter 2017 Table Game Analysis

Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	North River Summary	
North River	Win	11,117,409	6,573,440	1,869,131	1,707,772	3,964,107	Win	25,231,859
	WPUD	\$908	\$2,578	\$1,113	\$1,054	\$1,040	WPUD	\$1,152
	Units	136	28	19	18	42	Units	243
	Unit Mix	55.9%	11.6%	7.7%	7.4%	17.4%		
	Drop	63,281,023	41,107,386	9,152,133	4,908,440	15,158,464	Drop	133,607,446
	% of Drop	47.4%	30.8%	6.9%	3.7%	11.3%	As % Prior year	92.3%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	South River Summary	
South River	Win	4,594,472	1,730,584	538,963	445,834	663,794	Win	7,973,647
	WPUD	\$781	\$1,559	\$855	\$743	\$1,229	WPUD	\$910
	Units	65	12	7	7	6	Units	97
	Unit Mix	67.1%	12.7%	7.2%	6.8%	6.2%		
	Drop	22,445,992	7,024,741	1,987,181	1,226,358	2,163,647	Drop	34,847,919
	% of Drop	64.4%	20.2%	5.7%	3.5%	6.2%	As % Prior year	91.8%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	Gulf Coast Summary	
Gulf Coast	Win	16,622,030	7,809,808	3,691,207	3,497,340	12,627,545	Win	44,247,930
	WPUD	\$716	\$2,367	\$1,382	\$1,372	\$1,462	WPUD	\$1,096
	Units	258	37	30	28	96	Units	449
	Unit Mix	57.5%	8.2%	6.6%	6.3%	21.4%		
	Drop	134,293,040	50,987,673	15,533,513	11,531,811	70,787,322	Drop	283,133,359
	% of Drop	47.4%	18.0%	5.5%	4.1%	25.0%	As % Prior year	100.6%

First Quarter 2017 Slot Analysis

Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	North River Summary	
North River	Win	84,963,293	2,730,190	10,016,931	17,632,073	6,909,491	Win	122,251,978
	WPUD	\$168	\$135	\$129	\$182	\$133	WPUD	\$162
	Units	5,627	224	865	1,077	578	Units	8,370
	Unit Mix	67.2%	2.7%	10.3%	12.9%	6.9%		
	Coin In	942,533,792	42,380,460	127,309,515	258,660,218	188,858,033	Coin In	1,559,742,018
	% of Coin in	60.4%	2.7%	8.2%	16.6%	12.1%	As % Prior year	93.9%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	South River Summary	
South River	Win	56,247,300	1,140,451	3,007,931	7,820,295	5,583,533	Win	73,799,510
	WPUD	\$170	\$92	\$83	\$133	\$450	WPUD	\$164
	Units	3,672	138	402	654	138	Units	5,004
	Unit Mix	73.4%	2.8%	8.0%	13.1%	2.8%		
	Coin In	615,418,309	23,740,577	46,160,779	124,407,898	41,226,085	Coin In	850,953,648
	% of Coin in	72.3%	2.8%	5.4%	14.6%	4.8%	As % Prior year	95.3%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	Gulf Coast Summary	
Gulf Coast	Win	180,736,637	8,982,263	23,856,619	30,038,289	13,372,715	Win	256,986,523
	WPUD	\$203	\$162	\$172	\$218	\$249	WPUD	\$201
	Units	9,895	617	1,538	1,532	597	Units	14,178
	Unit Mix	69.8%	4.4%	10.8%	10.8%	4.2%		
	Coin In	2,008,091,748	170,736,542	397,352,445	439,932,014	218,880,309	Coin In	3,234,993,058
	% of Coin in	62.1%	5.3%	12.3%	13.6%	6.8%	As % Prior year	96.7%

Sports Betting & DFS



In February 2017, the *University of Mississippi School of Law* held a symposium on the topic of sports betting and a discussion about PASPA. Included on the panel were Erik Balsbaugh of the *American Gaming Association*, David Purdum with *ESPN* and Brian Barrio, the athletic director from the *University of Nevada, Reno* as well as *MGHA* representatives. Professor Ronald Rychlak moderated the panel. This presented a unique opportunity to discuss the legal ins and outs of PASPA from a variety of perspectives, but also to discuss the story of gaming in Mississippi. There was discussion about Mississippi Attorney General Hood joining in the amicus brief the State of West Virginia filed with the US Supreme Court. We also discussed Mississippi's DFS bill. This symposium was recorded and shared to a national audience. And it allowed us the opportunity to share our annual report.



Professor Ronald Rychlak,
*University of Mississippi
School of Law*

Speaking Out About Gaming Industry

The opportunities to speak about our industry are numerous. In January, we spoke to the *Leadership Gulf Coast* class about the industry and the state of gaming in Mississippi. The audience of leaders was very interested to know the statistics of gaming, and many asked probing questions about the future of gaming in our state.

In March, MGHA's Deputy Director, Michael Bruffey, a graduate of Ole Miss Law School, was invited back to Oxford. He appeared as a guest speaker in *Professor Rychlak's sports law class*. Bruffey shared his background in the industry, discussed the numerous career fields available in the industry and shared MGHA's annual report.

Also in March, MGHA was invited to speak before the *Rotary Club of Gulfport*. Here again, the audience was very interested in hearing about the impact our industry plays in the state from a tax and job standpoint. This presented another great opportunity to share our story and our annual report. On the horizon is the *Biloxi Businessmen*.

"The audience of leaders was very interested to know the statistics of gaming, and many asked probing questions about the future of gaming in our state ..."

What About Tunica? Time for Action ...

Tunica was once the third largest gaming market in the country. Today, there is little incentive for operators to invest in the market and declines seem to be the recurring story. Following preliminary discussions that took place in February, MGHA will begin working on a report that features Tunica and posits ideas for how to encourage reinvestment in this market. The declines in Tunica are well-known, but the gaming market continues to generate significant tax revenue and provides thousands of families with jobs and benefits. Visitation from Arkansas and Tennessee showed improvement in 2016. To build on this, MGHA will be working with our associate member, the *Tunica Convention & Visitors Bureau*, to promote a concept called the Tunica Tourism Development & Support Fund. This will help Tunica find necessary funding to properly incentive the development of non-gaming amenities. The report will also touch on ideas and concepts that will encourage our casino operators to reinvest in the Tunica market, and may include ideas for introducing new legislation in 2018.



Casino Member Directory

- Ameristar Casino Hotel, Vicksburg
- Bally's Casino, Tunica
- Beau Rivage Resort Casino, Biloxi
- Boomtown Casino, Biloxi
- 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
- 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
- Scarlet Pearl Casino & Hotel, D'iberville
- Silver Slipper Casino, Bay St Louis
- Treasure Bay Resort, Biloxi
- Trop Casino, Greenville
- Waterview Casino & Hotel-Vicksburg

New Associate Members

A special thanks and welcome to our newest associate members.

EasyAds
(easyads.tv)

Mile High Casino Services, Inc.
(www.milehighcasinoservices.com)

Sysco
(www.sysco.com)

VizExplorer
(www.vizexplorer.com)

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 contact Executive Director Larry Gregory or Deputy Director Mike Bruffey via email (lgregory@msgaming.org or mikebruffey@msgaming.org) or by phone 601-965-6992.

**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.*



120 N. Congress Street 4th Floor
Jackson, MS 39201
(601) 965-6992
www.msgaming.org

Associate Member Directory

- Aruze Gaming
- Baker Donelson Bearman Caldwell
- Balch & Bingham, LLP
- Beecher Carlson Holdings
- Biloxi Boardwalk Marina (Ferrara Land)
- BMM Testlabs
- Butler Snow
- Capital Resources
- Cintas
- DEQ Systems Corp.
- Duke Dukes Keating & Faneca PA
- Everi
- Family Frozen Foods
- FEB Distributing/Capital City Beverage
- Gaming Laboratories, Inc.
- Gulfport –Biloxi International Airport
- Horne, LLP
- IGT (G-Tech)
- Jones Walker
- J. Carcamo & Associates
- Konami Gaming
- Kronos

- Lewis Roca Rothgerber Christie
- Medical Analysis
- MDA-Visit Mississippi
- Mississippi Economic Council
- Miss. Gulf Coast Community College
- Mississippi Gulf Coast Marathon
- Miss. Hospitality & Restaurant Assoc.
- M2 Media Corp (MS/LA Gaming News)
- Mississippi Power Company
- Mississippi Tourism Association
- Mitchell Distributing Company
- Pearl River Resort
- Roy Anderson Corp.
- Scientific Games
- Snapshot Publishing
- Stewart Sneed & Hewes
- Thompson & Associates
- Tunica Convention & Visitors Bureau
- Visit Mississippi Gulf Coast
- YATES Construction