

Atlantic City Tourism Performance Indicators: Casino Closings Had Mixed Impact in 3rd Quarter

Lloyd D. Levenson Institute of Gaming, Hospitality & Tourism Report

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Galloway Township, NJ - Atlantic City Tourism Performance Indicators (AC-TPI) released by the Lloyd D. Levenson Institute of Gaming, Hospitality and Tourism (LIGHT) today show the entertainment, dining and hotel segments of the market experienced mixed results in the third quarter, with a strong summer performance giving way to declining numbers in September following the closing of three casinos.

The AC-TPI focuses on three key metrics: the Atlantic City Luxury Tax, (which reflects the level of resort entertainment spending), the Atlantic City Casino Parking Fee (which reflects transportation levels and spending), and the Atlantic County Hotel Occupancy Fee, (which reflects overnight tourist spending on accommodations.)

“The latest AC-TPI reveals that non-gaming business in the third quarter of 2014 experienced mixed results, hitting new highs in August for the Luxury Tax and Hotel Occupancy Fee,” said Dr. Brian Tyrrell, associate professor of Hospitality and Tourism Management Studies at The Richard Stockton College of New Jersey. “All three metrics showed double digit declines in the wake of the latest casino closures in September.”

The results for the third quarter of 2014 show:

- Luxury tax collections were up 20 percent or \$800,000; and up 4 percent (\$200,000) in August compared with those months in 2013. But September was down 21 percent (\$700,000), reflecting the closures of Showboat on Aug. 31, Revel on Sept. 1 and Trump Plaza on Sept. 16.
- The Casino Parking Fee, which has been trending downward since the introduction of gaming in Pennsylvania in 2006, slumped 22.8 percent in September. Parking fee receipts were \$1.9 million compared to \$2.4 million in September 2013. Only November

2012, the month after Hurricane Sandy hit, showed a larger monthly decline. July and August parking fees were also down.

- The Atlantic County Hotel Occupancy Fee hit a new record in August, up 10.6 percent with \$843,000, compared to \$763,000 collected the previous August.
- In September, the Hotel Occupancy Fee fell to \$393,000, down 15.9 percent from the previous year's \$476,000. However, the gains in July and August were enough to offset this for a quarterly increase of \$100,000, or 2.9 percent over the same quarter in 2013.

"While three out of Atlantic City's 11 casinos closed in the third quarter, the city retains its position as the largest concentration of casino gaming in the United States outside of Nevada," said Dr. Israel Posner, executive director of LIGHT.

"The Lloyd D. Levenson Institute at Stockton is pleased to continue to play its role as the premier source of information and analysis on hospitality, gaming and tourism industries in the South Jersey Region," he added.

Click for the complete AC-TPI third-quarter [report](#) or visit Stockton.edu/levenson/ac-tpi.

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The Lloyd D. Levenson Institute of Gaming Hospitality & Tourism (LIGHT) at The Richard Stockton College of New Jersey provides a forum for public policy discussions regarding the gaming, hospitality and tourism industries in New Jersey.

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