

# MGM Resorts International And MGM Growth Properties Complete Transaction To Acquire Empire City Casino In Yonkers, New York

LAS VEGAS, Jan. 29, 2019 /PRNewswire/ -- MGM Resorts International ("MGM Resorts") (NYSE: MGM) and MGM Growth Properties LLC ("MGP") (NYSE: MGP) announced today that they have completed the transactions for the acquisition of Empire City Casino in Yonkers, New York ("Empire City"). Following MGM Resorts' acquisition of Empire City for approximately \$850 million, MGP acquired the developed real property from MGM Resorts for approximately \$625 million and leased it back to a subsidiary of MGM Resorts that will operate the property.

"We are pleased to welcome the 1,200 employees at Empire City Casino to the MGM Resorts family," said Jim Murren, Chairman and CEO of MGM Resorts. "Over the past three years, we have established a meaningful presence in the northeast with Borgata in Atlantic City, MGM National Harbor in Maryland, and MGM Springfield in Western Massachusetts. With this new addition to the MGM Resorts portfolio, we have now gained a foothold in the high-density New York City region and we look forward to leveraging the MGM platform to maximize value in this evolving marketplace."

"What's incredibly exciting is the amount of opportunity MGM Resorts will bring to the employees at Empire City, as well as Westchester County, the city of Yonkers, and the State of New York," said Timothy J. Rooney, President and CEO of Empire City Casino. "With destinations throughout the world, from resorts to casinos to entertainment, MGM has a tried-and-true formula for success. They know how to build and grow properties that continually raise the bar in entertainment, travel, and leisure, and we are so thrilled to leave Empire City in MGM's capable hands. What's more, the potential for growth at Empire City has absolutely no boundaries. MGM will truly provide Empire City employees and the property's guests with the resources and opportunities to make the casino and track into something we haven't even yet realized. I cannot wait to see what's to come!"

"Today, we continue to expand MGP's best-in-class portfolio with the acquisition of the real estate assets of Empire City, expanding our geographic footprint to the New York City metropolitan area," said James Stewart, CEO of MGM Growth Properties. "This financially accretive transaction further diversifies our existing market-leading regional portfolio and provides us with additional growth opportunities with a Right of First Offer on any potential capital improvements in the future. This is another excellent example of the power of our partnership with MGM Resorts."

MGM Resorts' funded the acquisition with approximately \$360 million of cash on hand, the issuance of approximately 9.4 million shares of common stock, based on a volume weighted average price of a share of the Company's common stock for a ten-trading-day period prior to the closing date, and the assumption of approximately \$246 million in indebtedness. MGM Resorts has also agreed to pay an additional \$50 million if Empire City is awarded a license for live table games on or prior to December 31, 2022 and MGM Resorts accepts such license by December 31, 2024.

MGP funded the acquisition of the developed real property from MGM Resorts through the assumption of approximately \$246 million of indebtedness, which was repaid with borrowings under its senior secured credit facility, and the issuance of approximately 13 million operating partnership units to MGM Resorts based upon MGP's closing price of \$29.38 as of May 25, 2018. In addition, MGM Resorts has agreed to give MGP a right of first offer with respect to certain undeveloped land adjacent to the property to the extent MGM Resorts develops additional gaming offerings and chooses to sell or transfer the property in the future.

Empire City was added to the existing Master Lease between MGM Resorts and MGP, and the initial rent payment to MGP increased by \$50 million. Consistent with the Master Lease terms, 90 percent of the increased rent will be contractually fixed to grow at two percent per year until 2022, and thereafter will continue to grow provided a tenant revenue to rent ratio is met. The remaining 10 percent is payable in percentage rent.

Empire City sits on a 97-acre property and serves approximately 16 million eligible gaming customers in southern New York. It is located only 15 miles from Times Square in Manhattan. Offering gaming, racing, dining, and entertainment, Empire City features over 5,200 of the latest slots and electronic table games, multiple dining outlets, and both live and simulcast horse racing.

BofA Merrill Lynch acted as exclusive financial advisor to MGM Resorts in connection with the transaction. PJT Partners LP is acting as financial advisor to the conflicts committee of the MGP Board of Directors.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any

sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

### **About MGM Resorts International**

MGM Resorts International (NYSE: MGM) is an S&P 500® global entertainment company with national and international locations featuring best-in-class hotels and casinos, state-of-the-art meetings and conference spaces, incredible live and theatrical entertainment experiences, and an extensive array of restaurant, nightlife and retail offerings. MGM Resorts creates immersive, iconic experiences through its suite of Las Vegas-inspired brands. The MGM Resorts portfolio encompasses 29 unique hotel and destination gaming offerings including some of the most recognizable resort brands in the industry. Expanding throughout the U.S. and around the world, the company acquired the operations of Empire City Casino in New York in 2019, and in 2018, opened MGM Springfield in Massachusetts, MGM COTAI in Macau, and the first Bellagio-branded hotel in Shanghai. The over 82,000 global employees of MGM Resorts are proud of their company for being recognized as one of FORTUNE® Magazine's World's Most Admired Companies®. For more information visit us at [www.mgmresorts.com](http://www.mgmresorts.com).

### **About MGM Growth Properties**

MGM Growth Properties LLC (NYSE:MGP) is one of the leading publicly traded real estate investment trusts engaged in the acquisition, ownership and leasing of large-scale destination entertainment and leisure resorts, whose diverse amenities include casino gaming, hotel, convention, dining, entertainment and retail offerings. MGP currently owns a portfolio of properties, consisting of 11 premier destination resorts in Las Vegas and elsewhere across the United States, the Park, a dining and entertainment complex which opened in April 2016, and the Hard Rock Rocksino Northfield Park in Northfield, OH. As of December 31, 2017, these properties collectively comprise approximately 27,500 hotel rooms, 2.7 million convention square footage, 150 retail outlets, 300 food and beverage outlets and 20 entertainment venues. As a growth-oriented public real estate entity, MGP expects its relationship with MGM Resorts and other entertainment providers to attractively position MGP for the acquisition of additional properties across the entertainment, hospitality and leisure industries. For more information about MGP, visit the Company's website at <http://www.mgmgrowthproperties.com>.

### **Forward-Looking Statements**

Statements in this release that are not historical facts are "forward-looking" statements and "safe harbor statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and/or uncertainties, including those described in MGM Resorts' and MGP public filings with the SEC. MGM Resorts and MGP have based forward-looking statements on management's current expectations and assumptions and not on historical facts. Examples of these statements include, but are not limited to, statements regarding the Company's ability to generate future growth at Empire City. Among the important factors that could cause actual results to differ materially from those indicated in such forward-looking statements include effects of economic conditions and market conditions in the markets in which MGM Resorts and MGP operate, competition with other destination travel locations throughout the United States and the world, the design, timing and costs of expansion projects, risks relating to international operations, permits, licenses, financings, approvals and other contingencies in connection with growth in new or existing jurisdictions and additional risks and uncertainties described in MGM Resorts' and MGP Form 10-K, Form 10-Q and Form 8-K reports (including all amendments to those reports). In providing forward-looking statements, neither MGM Resorts or MGP is not undertaking any duty or obligation to update these statements publicly as a result of new information, future events or otherwise, except as required by law. If MGM Resorts updates one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those other forward-looking statements.

SOURCE MGM Resorts International; MGM Growth Properties LLC

For further information: MGM RESORTS CONTACTS: Investment Community; CATHERINE PARK, Executive Director of Investor Relations, (702) 693-8711 or [cpark@mgmresorts.com](mailto:cpark@mgmresorts.com); News Media; BRIAN AHERN, Director of Media Relations, [media@mgmresorts.com](mailto:media@mgmresorts.com); MGM GROWTH PROPERTIES LLC CONTACTS: Investment Community; ANDY H. CHIEN, Chief Financial Officer, (702) 669-1470; News Media; (702) 669-1480 or [media@mgpreit.com](mailto:media@mgpreit.com)

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