

Boyd Passes on Buying MGM Resorts' Borgata Stake - Bloomberg

Written by Administrator
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[Boyd Gaming Corp.](#) , operator and half-owner of the Borgata Hotel Casino & Spa in Atlantic City, New Jersey, said it won't bid for the rest of the resort, being sold by MGM Resorts International.

"Given other

opportunities and our current focus on deleveraging our balance sheet, the current offer would not provide a sufficient return on investment for our shareholders," the Las Vegas-based company said today in a statement.

Boyd is declining to match an offer by [Leonard Green & Partners](#) , a buyout firm that manages about \$9 billion, people with knowledge of the bid said last week. Without naming the suitor, MGM Resorts said this month it received an offer for its 50 percent Borgata stake that will generate proceeds of about \$250 million. MGM said in a regulatory filing today that it "intends to pursue negotiations with the original bidder."

With Borgata, Leonard Green would gain a stake in the most profitable Atlantic City resort, at a time when New Jersey is seeking ways to help operators reverse a market-wide gambling revenue decline now in its fourth year. Governor [Chris Christie](#) in July proposed taking control of policing, land use and development on the Boardwalk and nearby areas as competition from neighboring states grows.

Boyd rose 22 cents to \$8.21 at 10:04 a.m. in New York Stock Exchange composite trading. The [shares](#) fell 4.5 percent this year before today.

Leonard Green, founded in 1989, has holdings in fitness- club operator Equinox, and retailers Whole Foods Market Inc. and Sports Authority Inc., according to its [website](#) . The site doesn't list any gambling investments.

[MGM](#) , the biggest casino operator on the Las Vegas Strip, is leaving Atlantic City rather than drop its ties to [Pansy Ho](#) and their joint venture in Macau, China, the world's largest casino market. MGM pledged to sell its Borgata stake in March after the New Jersey Division of Gaming Enforcement found Ho to be an unsuitable partner.

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