

MGM replaces head of lagging casino in Springfield

Written by Administrator

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Meanwhile, its major competition to the east, the Encore Boston Harbor casino in Everett, reported its best month in December, with \$54 million in revenues.

MGM Springfield opened in August 2018, the first resort casino in the state's history, with Mathis as its first president. Spread out over 14 acres in three blocks within the heart of downtown Springfield, the \$960 million project with a 125,000-square-foot gaming floor hoped to revitalize the urban district.

Last week — just two days before the December numbers were released — MGM Resorts chief executive Jim Murren said that the casino needed to draw more bettors by bringing in more entertainment and nongaming events, such as the Red Sox Winter Weekend, which the casino hosted over the weekend for the first time. According to the Red Sox, the event sold out, with 7,200 people in attendance.

Mathis's exit several days later was the most concrete move by Murren to chart a different course for MGM Springfield.

“Let's face it, you have Encore announcing they just had their best month, period, and Springfield just had their worst month, so clearly they had to do something different,” said Richard McGowan, a professor at the Boston College Carroll School of Management who follows the gaming industry.

Mathis “was much more focused on gambling, period,” he added. “Clearly, if Springfield is going to make it, they've got to somehow, one way or another, make themselves much more of an entertainment center than a gambling center. I would imagine MGM figured they had to bring in somebody new to do that.”

The poor performance by the Springfield casino could be further reason for the Massachusetts Gaming Commission to hold off approving a license to a third casino, in the southeastern corner of the state.

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In order for MGM Springfield to survive, said McGowan, it has to differentiate itself from its local competition rather than pretend to offer an equal draw against Encore Boston. He pointed out that Encore derives more money from its table games than slot machines, which is the opposite of Springfield, where “day-hoppers” who play the slots have accounted for 70 percent of MGM gaming revenues since it opened.

“As Willie Sutton said, ‘The reason I rob banks is because that’s where the money is’ — well, there’s a lot more money in the Boston area than there is in the Springfield area, let’s be perfectly blunt about where the money is, and the typical person is not going to be going from Boston to Springfield when they can go to Encore,” said McGowan. MGM Springfield is “surrounded by other casinos and that’s one thing Encore is not.”

Jorge Perez, the head of MGM’s regional operations said in a statement that Kelley’s “experience in Ohio, rebranding and integrating a property and introducing MGM to the community, will be an asset for Springfield as we continue to work closely with the community and strive to not only be a world-class entertainment destination but also a good corporate neighbor.”

In his statement, Kelley did not get into specifics about boosting Springfield’s numbers, but it’s safe to conclude he will be tasked with carrying out Murren’s directive to bring in more entertainment to Western Massachusetts.

“MGM Springfield has so much to offer its guests and the property has made an extraordinary impact on the city,” said Kelley, a graduate of Connecticut College. “It is wonderful to be heading back home, having grown up in New England.”

Because he is a “key gaming executive,” Kelley will need to be licensed by the gaming commission before he can begin work.

Mathis has been reassigned to a new role as senior vice president of business development at MGM Resorts International.

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Michael Silverman can be reached at michael.silverman@globe.com . Follow him on Twitter: [@MikeSilvermanBB](https://twitter.com/MikeSilvermanBB)

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