

Biggest U.S. casino cuts back on gambling

By Michael Melia, AP

HARTFORD, Conn. – Foxwoods, the largest casino resort in North America, is reducing its number of slot machines and table games to free up space for nightclubs and other new attractions as it adapts to fierce competition, the new CEO said in an interview with The Associated Press.

It's a transition that CEO Felix Rappaport says probably should have started years earlier, held up perhaps by emotional attachments, and one that reflects a decline in the number of people gambling inside the cavernous Foxwoods Resort Casino on a given day.

"We think we have too much gaming," Rappaport said in the interview Monday.

The tribal-owned property in southeastern Connecticut has 5,800 slot machines and 350 table games, spread across several individual casinos. Foxwoods is identifying gaming areas that can be converted for other purposes in a process that Rappaport said would likely leave it with closer to 4,800 slot machines and 250 table games.

Foxwoods enjoyed a monopoly on casino-style gambling in the region for years after it opened in 1992 and had 6,300 slot machines and 380 table games before the Great Recession introduced a decline in gambling revenue that has yet to be reversed.

Now, the embattled resort is positioning itself to endure competition that is expected only to intensify in coming years with as many as three casinos in Massachusetts. Foxwoods and its local rival, Mohegan Sun, already have been losing revenue

to casinos in the New York City area and Rhode Island's Twin Rivers Casino, which recently added table games.

At Mohegan Sun, Tribal Gaming Authority CEO Mitchell Etes said on a conference call with industry analysts last week that its gaming floor has shrunk but he does not anticipate more big cuts.

"I think we've really done a good job at getting the floor down to what's manageable and what's right and then scheduling it for the times when the people are here," Etes said.

Rappaport, a Philadelphia native, was named CEO last week by the Mashantucket Pequot Tribal Nation. He joined Foxwoods in February and had been part of a management team focused on expanding the resort experience including new nightclubs, restaurants and an outlet mall expected to open in the spring.

He worked previously as president of the casinos Excalibur, New York-New York and Luxor in Las Vegas, where he saw each property have a "golden era" and then have to adapt and sometimes contract with changes in the marketplace. Rappaport said Foxwoods is evolving in the same way, adding attractions with the goal of stirring excitement and keeping visitors on the property for longer periods of time.

"The industry in general has become less gaming centric," he said. "I think in Foxwoods' case we have exactly the same opportunities."

He said he expects Foxwoods will move toward earning 65 or 70 percent of its revenue from gambling – down from 80 percent – as it leans more on entertainment and other offerings.

Associated Press writer Stephen Singer contributed to this report.