

MGM resuming 24-7 operations at 3 Strip properties

By Bailey Schulz Las Vegas Review-Journal

February 17, 2021 - 10:35 am

MGM Resorts International is set to ramp up operations to match growing travel demand to Las Vegas.

The Mirage, Mandalay Bay and Park MGM are set to expand hotel operations to operate 24-7 starting March 3. All three Strip properties have been operating with their hotel towers shuttered midweek.

The heads of MGM say they're making the change to accommodate growing interest in travel, a welcome development for a company that saw a 60 percent revenue drop in 2020 compared with the year prior.

“After hearing news of closures and slight openings and then some back steps ... reopenings feel very good,” Alan Feldman, a distinguished fellow at UNLV’s International Gaming Institute, said. “This should bode well for the (casino) industry and the community.”

Travelers appear ready

MGM’s closed its hotel towers at The Mirage, Mandalay Bay and Park MGM in [November](#), the beginning of an exceptionally painful slow season for Strip

casinos. The company later [fully closed](#) The Mirage's operations Mondays through Thursdays.

Now, with COVID-19 cases and operating restrictions in Nevada beginning to ease, heads of the company say there's enough demand to keep the lights on throughout the week. MGM Resorts CEO and President Bill Hornbuckle said during an [earnings call last week](#) that forward-looking bookings are on the rise and January was MGM's strongest booking month since the start of the pandemic.

"We believe the demand for travel and visitation in Las Vegas could be robust later in the year," Hornbuckle said during the call. "Guests are increasingly booking 90-plus days out."

Travelers' change in heart comes as the national vaccine rollout accelerates and infection rates continue to drop. On Tuesday, Nevada reported the [lowest one-day increase](#) in new cases in nearly five months, and its two-week positivity rate dropped 0.5 percentage points to 11.8 percent.

"Seeing all of those numbers trend downward, and trend so quickly and steeply, is a beacon for business coming back," said Josh Swissman, a founding partner of gaming and hospitality consulting firm The Strategy Organization.

Loosening operating restrictions is another boon for casino operators. Nevada raised the occupancy limit on casino floors from 25 percent to 35 percent on [Monday](#) and is set to raise the cap to 50 percent on March 15.

“Assuming that we do not see any further setbacks imposed by government, visitation growth should be good from last year,” said Brendan Bussmann, director of government affairs for Global Market Advisors.

Boon for casino industry, state

MGM’s expanded hotel operations, with the return of several [live entertainment shows](#) in February and early March, should allow the company to bring back more workers. More than 63,000 MGM employees were furloughed last year after casinos across the country were ordered to temporarily shut down.

“As the business begins to recover and operating restrictions abate, we expect to continue remobilizing our fantastic teams, rehiring and retraining them in order to serve our guests,” Hornbuckle said during last week’s earnings call. “Over the course of this year, we will do the same with our industry-leading entertainers across all of our properties.”

Nevada’s jobless rate was [9.2 percent](#) in December, surpassing the national average of 6.7 percent.

It’ll cost MGM to bring back these employees and keep more properties running midweek, but Swissman said it should be well worth the additional expenses.

“They’re seeing trends that show visitation is going to grow and revenue is going to grow,” he said. “That should generate incremental profit for MGM Resorts and other resorts that are enjoying the same trends.”

That additional visitor spending is good news for the state as well as the casino industry.

“When (casinos are) closed, the state makes zero,” Feldman said. “When they’re open, the state and county are at least making some revenue. That’s critically important. That’s tax money that’s beginning to flow.”

Visitors in Southern Nevada contributed nearly \$2.3 billion to local and state government entities through various taxes in 2018, according to a 2019 report from the Las Vegas Convention and Visitors Authority.

When the tourism industry suffered under the pandemic, so too did state funds. Nevada casinos paid [\\$694 million](#) in gaming taxes and fees in 2020, down 22 percent from the \$892 million the year prior, according to the Nevada Gaming Control Board.

Looking forward

Las Vegas casinos have made strides on their return to normalcy, but signs of the 2020 casino shutdown still linger. A number of Las Vegas properties have yet to reopen since closing their doors in March, including [Palms](#) and [Main Street Station](#).

But industry watchers say the spike in travel demand signaled by MGM should continue to pick up, especially in the second half of the year.

“This is a good sign,” Amanda Belarmino, an assistant professor at UNLV’s College of Hospitality, said of the MGM properties’ expanded operations. “This indicates there is more demand and that increased operations will lead to increased customer satisfaction and demand.”

Even so, it will take time for the city to fully heal. Meetings and conventions and international travelers will be essential for the local tourism industry's recovery, and their revival relies heavily on the spread of the vaccine and a boost in traveler confidence.

"I think it is everyone's desire to get back to normal, but it will take some time for the vaccine to be implemented," Bussmann said. "The industry will come back stronger than before ... but the industry will also need to look at additional opportunities for diversification as it recovers."

Contact Bailey Schulz at bschulz@reviewjournal.com.

Follow [@bailey_schulz](https://twitter.com/bailey_schulz) on Twitter.