

CEO Ameet Patel: Casino bids to grow along with environs

Written by Administrator
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By 

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Ameet Patel, general manager of the Hollywood Casino here, hopes a new hotel will spring up.

Hollywood Casino general manager Ameet Patel wants to see Columbus' West Side thrive. A little more than a year after the casino's grand opening, Patel and Penn National Gaming are poised for continued investment in a neighborhood that has been declining since the early 2000s.

"I work very closely with the business community here to make sure that there's development around the area," Patel said. He sits on the board of Weston Vision, a West Side economic-development organization whose members include Franklin County leaders, business owners and community stakeholders.

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“When the initial talk or opportunity for the \$400 million investment for the casino came about, this area had very limited other options,” said Chris Haydocy, president of Weston Vision and owner of Haydocy Automotive, a 59-year-old car dealership located adjacent to the Hollywood Casino on W. Broad Street.

Thanks to Penn National’s decision to locate the casino on the site of the shuttered Delphi auto-parts plant, at least 30 businesses have relocated to or reinvested in their West Side locations, Haydocy said. Franklin County invested \$5 million in the Georgesville Road reconstruction, and in November, ODOT completed an \$80 million reconstruction of I-270 and W. Broad Street.

Patel and Weston Vision members helped speed these infrastructure improvements. The owners of 22 land parcels along the W. Broad Street business corridor took the unprecedented step of unanimously donating their land to ODOT to avoid the lengthy easement process. Patel said the improvements on W. Broad, I-270 and Georgesville Road contribute to “the experience we’re creating on the West Side.”

Lower-than-projected revenue in 2013 led Penn National to adopt competitive growth strategies. In September, the Ohio Casino Control Commission approved Penn National’s corporate separation into the existing casino-operations arm and a new real-estate investment trust. The spinoff is the first of its kind in the gaming industry.

The newly formed REIT, Gaming and Leisure Properties Inc., owns substantially all of Penn National’s real-estate assets, including the Hollywood Columbus casino, which it leases back to operator Penn National. With the corporate reorganization in place, Patel said Phase II development of the 123-acre casino site will move forward in 2014.

Q: What’s your first-year assessment of Hollywood

Columbus operations?

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A: When it comes to our financials, we clearly have made it very public knowledge that there are pockets of pleasant and not-so-pleasant surprises. Our table-games business, our event business, our food and beverage business have exceeded our expectations. Our slot business has not met our expectations. Slot volume is a very critical part of our business model.

Would we have loved to do better and perform better? Yes. Are we happy with at least what we see right now? We publicly say that we are about 20 percent cash-on-cash return in year one, and that is an absolutely fantastic benchmark for any other casino operator to use throughout the country.

We could have done better, and I think there's plenty of room for improvement in this market. We're very, very optimistic about that.

Q: What do you expect to build or invest in the area in the future?

A: We're about 40 percent developed in the site, so we have plenty of room to grow. What we would like to see is kind of a simultaneous, parallel investment in the community, one within the site and one surrounding the site in and around the casino. Because I think that's a big part of the experience.

As far as our investment itself, make no mistake: We are heavily, heavily focused on what is the next expansion plan. We've looked at several options. The one that is most viable, most feasible and the most relevant and practical today, in a sense, would be the hotel.

A lot of visitors would come and would want to stay here overnight. And if you look at the supply of the hotel-room base on the West Side, it's very different from what you see on the Downtown and East Side, so I think there's plenty of demand.

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Q: When you talk about “parallel investment in West Side development,” do you mean from the business community or a public investment?

A: Both. We’re jointly invested between the city and Penn National. We’ve created this \$5 million “superfund,” I call it, because it generates additional economic activity in the area. The charter of this fund is very simple. We have to invest in either West Side infrastructure development or workforce development. We meet monthly (with city officials) to decide on what we fund, what projects do we entertain and what would bring further economic development to the area around the casino.

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