

## New Vegas casino complex take gamble on recovery - AFP

Written by Administrator

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By Steve Friess (AFP) – 6 hours ago

LAS VEGAS — Amid a crushing recession that has left unfinished casino and condo projects stalled in Las Vegas and across the region, opening a new resort complex here seems a decidedly risky bet.

But that's what's about to happen: a sleek new 3.9

billion dollar resort opens Wednesday night on the gambling city's fabled Strip, hoping, just hoping, to help jump-start a long-awaited recovery.

Dogged by America's worst jobless and home foreclosure rates, the desert city is holding its breath to see how The Cosmopolitan fares when it opens its doors in two black-and-gray 52-story towers just south of the famed Bellagio.

The Cosmo, construction of which started in 2005, was too far along in the development pipeline when the housing and financial markets collapsed in 2008. It has 2,000 rooms, with another 1,000 due to open in 2011.

The original developer, Ian Bruce Eichner, defaulted on loans, so lender Deutsche Bank took the unprecedented step of completing the project itself and hiring the former general manager of Caesars Palace as the property's operator.

"Our goal is to create trips to Las Vegas that otherwise would not have happened," said CEO John Unwin said.

Noting the resort is surrounded by casino-hotels owned by two of the world's largest operators, MGM Resorts and Caesars Entertainment, he continued, "People like the independent spirit that we have at the Cosmopolitan.

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"We're not part of some big corporation."

The property aims for what Unwin dubs the "curious class," a segment he claims comprises 59 million Americans who until now have found Vegas lacking appeal to artistic, well-educated urban professionals.

To lure them, Unwin's staff selected a string of prominent restaurateurs mainly from New York, and recruited designer David Rockwell, famed for hotels and eateries in Europe and Asia and who created the last two Oscars show sets.

A mammoth three-story chandelier containing 20,000 square feet of seating at bars and lounges is but one of Rockwell's eye-catching contributions to the resort.

One unusual aspect of the new resort is its height and constrained footprint. Most hotel-casinos on the Strip sprawl, but this one was squeezed between Bellagio and MGM Resorts' one-year-old CityCenter complex.

"What's interesting is that you have basically the same program you have at major Strip casino resorts -- 3,000 rooms, a 100,000-square-foot casino, 150,000 square feet of meeting space, 14 restaurants and a 50,000-square-foot spa, but rather than do it on 50 or 100 acres, we do it on a 8.5 acres," Unwin said.

"By nature, that creates a much more intimate feel when you walk around the property."

Still, many wonder how a city that already boasts 148,000 rooms that it hasn't been filling without drastically reducing rates will cope with the additional supply.

The economy has been so bad that construction stopped on at least three other casino or residential projects on the Strip, including a condo called the Harmon designed by Lord Norman Foster, just south of the Cosmopolitan.

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The Harmon is part of the 8.5 billion dollar CityCenter, the most expensive privately funded construction project in US history, which opened last December with a 4,000-room hotel-casino, Aria, that the owner has struggled to fill.

MGM Resorts executives say they may end up imploding the never-opened The Harmon and accepting a 500 million dollar loss.

"Clearly, the market does not need 2,000 new rooms," said Robert LaFleur, gaming and hospitality analyst for Hudson Securities.

"But the reality is they're built and the decision to build them was made at a different time, in a different environment, in an economy that doesn't exist anymore."

Unwin is undeterred.

He points to recent indicators showing the recession is easing, most notably the fact that room rates have edged up for several months over 2009 levels and October saw a 5.7 percent rise in visits here over the prior October.

Hunter Hillegas, who runs tourist-centric [RateVegas.Com](http://RateVegas.Com) and the VegasMate smart phone application, believes the Cosmopolitan has some features that could spur recession-weary Americans to finally return to their favorite playground.

"Their room product includes a few unique twists, most notably terraces, which I think are fantastic and could be a big draw ... If Cosmo succeeds in creating new Las Vegas visits, it will be a good thing for everyone," he said.

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