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# Le Reve may give boost to Strip construction

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**GAMING WIRE**

Steve Wynn's \$1.63 billion Le Reve megaresort could lead to construction of as many as three additional projects on the site of the New Frontier, property owner Phil Ruffin said Thursday.

A major U.S. hotel operator last week signed a letter of intent with Ruffin to build an \$800 million hotel-casino on the northeast corner of the New Frontier site, he said.

Ruffin also wants to build a \$1 billion San Francisco-themed megaresort called City by the Bay on the New Frontier parcel, but plans for the project have been stalled for two years by his inability to obtain financing.

The money could soon be available, he said.

"The banks have told us we'll have the financing as soon as Le Reve is financed," Ruffin said. "Once Steve gets his funding, I think we're next on the block."

Ruffin's thinking is backed by Bear, Stearns & Co. casino industry analyst Jason Ader, who said Le Reve could spark a new building boom on the Strip. As proof, Ader noted that Wynn's development of The Mirage and Bellagio were pivotal projects that accelerated Las Vegas' rate of growth in the 1990s.

"There's no question that the future growth of Las Vegas is very much dependent on Le Reve," Ader said.

Wynn said Thursday he expects Le Reve financing to be finalized by early June, and announced earlier this week that he plans to sell about \$200 million in Le Reve equity through a public offering.

Ader said the North Strip redevelopment could lead to additional Strip projects, mentioning MGM Mirage, The Venetian's owner Sheldon Adelson and Mandalay Resort Group as the most likely to join the trend.

"Las Vegas is a city of egos," he said. "It's hard to imagine competitors of Steve Wynn will let him build the only new property."

Ruffin and Atlantic City casino magnate Donald Trump earlier this week announced plans to build a \$350 million, 60-story condominium on Ruffin-owned land behind the New Frontier, adjacent to the Fashion Show mall.

Trump Tower Las Vegas would have 300 units with \$1.5 million as the average price tag, but will not be built unless Ruffin's City by the Bay redevelopment is built, project insiders said.

The proposed hotel-casino Ruffin announced Thursday would be on the site of the now-demolished Silver Slipper casino.

The project would cost between \$750 million and \$800 million and would have 1,500 rooms.

The new project would take the northern one-third of Ruffin's more than 1,500 feet of Strip frontage, with Ruffin's City by the Bay taking the southern two-thirds.

Ruffin declined to name the hotel company, but said it was not Marriott International. Ruffin owns the Nassau Marriott Resort in the Bahamas with its on-site Crystal Palace casino.

Wynn said Ruffin's Thursday hotel-casino announcement signals the emerging strength of the North Strip.

"I'm all in favor of this," Wynn said. "Everyone knows the neighborhood needs redevelopment, and this is another sign it's on the way. This is good news, and it's great for Trump to be there as well."

Trump was also pleased with Ruffin's most recent announcement.

"That's fantastic," Trump said Thursday. "It's good for Phil, and great news for our project."

Bear, Stearns' Ader noted that Ruffin's redevelopment plans have a big advantage.

"Not only is Ruffin's location clearly enhanced by Le Reve, but he's perfectly positioned to take advantage of the Fashion Show (mall) expansion."

Las Vegas Jack Wishna, president of CPAmerica and a friend of both Ruffin and Trump, says he is the man who interested the duo in the Trump Tower Las Vegas plan.

Wishna was also the man who engineered Boyd Gaming Corp.'s long-term entertainment deal with Wayne Newton.

"Donald and Phil call me Mr. Vegas," Wishna said. "Wayne, of course, is Mr. Las Vegas."

Wishna wouldn't disclose the hotel operator working with Ruffin, but said the new property will carry a hotel brand new to Las

Vegas.

Wishna said the property would not carry the Hilton Hotels, Ritz-Carlton or Westin names.

Ruffin cautioned that the hotel operator's letter of intent to build the new hotel-casino depends on several factors.

"They still have to do due diligence, arrange financing and make sure the plan is feasible," Ruffin said. "They're still kicking the tires. This is not a done deal."

Ruffin's City by the Bay megaresort project has been stalled for two years.

After interest rates climbed in 2000, he postponed the redevelopment, citing high interest rates and the cost of obtaining money.

Earlier this year the Wichita, Kan.-based developer said Wall Street financiers were reluctant to finance new Strip properties, with many fearing that a repeat of the Sept. 11 terror attacks would throw the city's tourism industry into deeper turmoil.

Recent Las Vegas casino failures complicated matters.

"The problem now is that banks are skittish because of the bankruptcies of The Resort at Summerlin and the Aladdin," Ruffin said. "They're jumpy, they don't want another Aladdin. That's why it's so important for Le Reve to get financed."

Ruffin said he may bring in a partner to contribute enough cash to the City by the Bay project to make a financing deal more attractive to Wall Street.

"He could finance this himself, but like most billionaires, he doesn't want to do it," Wishna explained.

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