

Jeff Simpson analyzes the players in the bid for a Singapore casino

Although Singapore likely won't match the size of Macau's casino market, the pair of sites offered by Singapore may end up being two of the most lucrative in the world.

Limited competition and the scope of the projects being pitched to win the bids – and justify the huge land costs for Singapore's downtown Marina Bay and Sentosa island sites – should ensure healthy returns despite the big dollars winners will need to invest.

In December, I predicted MGM Mirage and Harrah's Entertainment were the two likeliest winners of the Marina Bay site. Now that four companies have submitted bids – all believed to cost at least \$ 3 billion – to the Singapore government, here are my updated odds:

3 to 2 – MGM Mirage. The world's biggest operator of luxury resorts, MGM Mirage and its Singapore partner CapitaLand seem the safest bet for a resort that accomplishes Singapore's goals for the casino development. The company promises a Cirque du Soleil show, Chief Executive Terry Lanni is widely respected in Asia and the company compares favorably to its competing bidders. The company is believed to have the deepest executive staff in the business, a factor that should weigh heavily in MGM Mirage's favor.

3 to 1 – Harrah's. The world's largest casino operator, Harrah's is quickly trying to establish its brands internationally, and wants to build a Caesars in Singapore. Harrah's is partnering with Singapore's Keppel Land, but has less experience operating billion-dollar-plus megaresorts than does MGM Mirage. Its bid includes iPort, a new-wave

entertainment center that will capitalize on many creations of Oscar-winning director James Cameron. Las Vegas executives I talk to are split on iPort. Some say it's too early to say whether the high-tech, rapidly changing concept would fit in as part of a casino complex, while most others scratch their heads. Harrah's international inexperience may hurt its bid; I see Harrah's getting edged out by MGM.

8 to 1 – Las Vegas Sands. The owner of the Venetian and Sands Macau, Las Vegas Sands wants to build a convention-oriented project, but I think Singapore officials won't want to pick a company so focused on big Macau and Las Vegas Strip expansion. The company's lawsuit-happy history and sorry Nevada regulatory record won't help, including Venetian's \$ 1 million payment in 2004 to cover a fine and regulatory costs after casino bosses rigged a 2002 contest to make sure a losing gambler won a Mercedes-Benz, along with a laundry list of other serious violations. Nevada gaming regulators said in 2004 that the Venetian transgressions were significant. „The reason the complaint is so serious is that it concerns activity that could erode the public's confidence in gaming,“ Gaming Control Board Chairman Dennis Neilander told me at the time.

10 to 1 – Genting International. The frontrunner for the Sentosa island site, I think Genting's convention and hotel-centered proposal is the biggest long shot. If MGM gets the Marina Bay site, I'd make Harrah's a co-favorite with Genting to win the Sentosa site.

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Although the news that Las Vegas Hilton owner Colony Capital has decided to make its own \$ 2.25 billion play for Tropicana owner Aztar Corp. is good for Aztar shareholders, it seems like a bad deal for Las Vegas.

Pinnacle Entertainment's \$ 2.1 billion deal to buy Aztar would see the Tropicana site totally redeveloped in a few years by

an executive team with a proven track record building and operating best-in-their-market resorts.

Colony's motley collection of properties is more a savvy collection of real estate plays than an effort to build and operate great resorts, and Las Vegas should wonder what the company would do with the prize Las Vegas site. Many of its current properties were distress buys from companies looking to unload, and while Colony may have made smart deals, it has yet to match the development ability and operating savvy of Pinnacle.

The casino industry is united on the biggest hot-button issue in Las Vegas and on Capitol Hill last week: immigration reform. Big casino operators know how much trouble they'd be in without immigrant labor.

They'd be missing a lot of their food-service workers, maids and other hospitality workers.

American Gaming Association President Frank Fahrenkopf, the top lobbyist for the casino industry, didn't mince words Friday when he told me that solutions that involve deporting undocumented workers are not feasible or equitable.

„We reject the idea that you can round up these people and throw ,em over the Rio Grande River,“ Fahrenkopf said. Amen.