

USD 1.9 Billion Palazzo Casino Holds Grand Opening in Las Vegas

Las Vegas (AP) – Billionaire Sheldon Adelson flipped the switch „on“ for his newest creation, the USD 1.9 billion Palazzo hotel-casino, with a modest fireworks display and champagne toast in the brisk January air.

The gigantic hotel-casino – Palazzo means „palace“ in Italian – officially debuted Thursday as the biggest resort to open on the Las Vegas Strip in three years. Festivities in a celebrity-studded weekend include a Saturday performance by Diana Ross and the Tony Award-winning musical that will play at the hotel-casino, „The Jersey Boys.“

The weekend bash was postponed from the expected opening in late December when it wasn't ready for inspections and permits.

Some guests said the soft opening of parts of the property on Dec. 30 took some of the fizzle out of the affair.

„I think I was a little disappointed when I first visited the place and everything was closed off,“ said Mercede Ghofli, a Tustin Ranch, Calif., resident who came with her husband on New Year's Eve. „From one to 10, I would say eight.“

The Palazzo has 3,066 suites, and makes Adelson's Las Vegas Sands Corp. the operator of the largest property on the Strip under one roof when combined with the connected 4,027-room Venetian, the company's flagship Las Vegas resort.

The Sands' latest debut since it opened the 3,000-room Venetian Macao in the Chinese gambling mecca in August represents its strategy of opening high-end resorts on a

massive scale.

„I just want to be clear. Bigger is better,“ Adelson, 74, the Sands' chief executive and majority shareholder said during a recent conference call with analysts.

Even before the fireworks, the company was repeating the formula for success that was tried and tested at The Venetian, the resort that Adelson opened in 1999 on the site of the former Sands Hotel.

On weekdays, it books large conventions whose delegates gamble, shop, drink and dine in their free time. On weekends, the modus operandi is to charge vacationers a premium for staying at a classy resort.

The combined resorts were almost at capacity this week. German software giant SAP booked 6,000 rooms for a major convention.

The Palazzo is taking orders to host conventions as far out as 2012, and some 45 percent of the room-nights at the two properties are expected to be filled by conventioners. The main elevator cores of Palazzo and Venetian are equidistant from 2.25 million square feet of meeting and convention space that includes the adjacent Sands Expo and Convention Center. The properties are linked through the mall and a lower level off the casino floors.

„It's a continuation of The Venetian,“ said the property's president, Rob Goldstein. „It's version two, I guess you could say.“

Maggie Longley, a 55-year-old Las Vegas teacher, said she thought the Palazzo was more spacious than the Venetian.

„It doesn't have that extremely luxurious flair as the Wynn or the Bellagio, and it's not a real ooh, ah,“ Longley said. „But I like it because the thing that separates it is the space. You don't feel that you're all closed in.“

To add pizzazz to the football fields of carpeted hallways and ballrooms, the company added name-brand restaurants, clubs and shops, from Wolfgang Puck's CUT to Jay-Z's 40/40 nightclub; and a Barneys New York, the Manhattan institution's first store in Las Vegas.

The company also designed the property to cater to the other giant prong of its business: wealthy Asian gamblers. Jade, a Hong Kong-style noodle shop, opens onto the casino floor. Two high-roller suites have direct elevator access to the baccarat pit.

And Sands recreated its exclusive Paiza Club, a private, invitation-only area where servers wearing white gloves discretely wander in and out carrying every gustation imaginable and never present a check.

While it may have missed the Western holiday season, it's no mystery why the property managed to open in plenty of time for the city's annual gluttonous gambling event known as Chinese New Year.

„We're very proud of our operations in Macau," Goldstein said. „It's grown our business terrifically in the premium sector."

The company has no more contiguous, developable land in Las Vegas. Even a 19-acre parcel it owns just to the east is almost completely horse-collared by land owned by billionaire Steve Wynn's casino company next door.

Rounding out the Sands property will be a 420-unit luxury condo tower under construction that is estimated to cost USD 600 million and is expected to be finished by 2010.

Sands continues its USD 13 billion build-out of its new casino empire in Macau and plans to open the USD 1.4 billion Marina Bay Sands in Singapore next year. Its USD 600 million Bethworks Casino in Pennsylvania is to open by mid-2009 and Sands is pushing to build new projects in Kansas and Adelson's

home state of Massachusetts.

„I think this completes the circle for us here in Las Vegas,“
Goldstein said. „Who knows what the future holds?“