

# Caesars Palace delays opening of tower

Following moves by other companies to delay or cancel building projects amid the floundering economy, Harrah's Entertainment is delaying the opening of its Octavius Tower expansion at Caesars Palace until demand for hotel rooms improves, the company said today.

The company had planned to open the 660-room tower, part of a USD 1 billion hotel expansion, this summer.

Some 110,000 square feet of convention space, three 10,000-square-foot villas and an expanded Garden of the Gods pool and garden area will open by mid-summer, as planned.

While demand for the convention space remains high in spite of the downturn, hotel demand has suffered in this economy, Harrah's spokesman Gary Thompson said.

With additional hotel rooms opening in the next few months „it was not prudent to bring this to market,“ Thompson said. „We have not had the advance bookings we anticipated for those rooms,“ he said.

Harrah's has a tight balance sheet because it was taken private last year with billions of dollars in debt. The company, like many others, has been cutting costs and shaving staff. Still, financing for the USD 1 billion expansion was in place before the credit markets collapsed.

The company said it doesn't expect any staff reductions related to the hotel tower delay and anticipates being able to bring the rooms online within a few months once demand picks up.