

# Work stopped on West Tower at Cosmopolitan

Construction has stopped on a portion of the Cosmopolitan's west tower while some floors go through a redesign, according to several sources familiar with the project.

Additionally, a reliable source familiar with the industry said Deutsche Bank, which owns the USD 3.9 billion project, signed an agreement Thursday with Hilton Hotels Corp. related to the project.

Deutsche Bank does not have a license to operate a casino and has been looking for an operator to run the Cosmopolitan's casino and hotel operations since it acquired the project for USD 1 billion at a foreclosure sale in August.

Deutsche Bank, whose officials were in Las Vegas this week, declined to comment on the reports today.

Hilton Hotels did not return calls or e-mails Thursday and today seeking comment.

Deutsche Bank hired New York-based Related Cos. in September to oversee development of the project, which was half-finished when the bank acquired the mixed-use development after former developer and owner Ian Bruce Eichner and his company, 3700 Associates LLC, entered foreclosure proceedings.

The Cosmopolitan is scheduled to open the second quarter of 2010.

John Smirk, secretary-treasurer of the Painters Union Local 159, told the Associated Press the Southern Nevada Building and Construction Trades Council was notified earlier this week that work on the west tower was being suspended. Three hundred painters were laid off Wednesday, he said.

Steve Redlinger, spokesman for the Southern Nevada Building and Construction Trades Council, said the unions discussed the Cosmopolitan this week with Perini Building Co., the project's general contractor, although he declined to disclose the nature of those talks.

The painters were laid off the same day that negotiations broke off between the bank and MGM Mirage involving the Cosmopolitan.

Sources reported that Deutsche Bank wanted MGM Mirage to operate or take an ownership stake in the Cosmopolitan in exchange for nearly USD 1.2 billion in financing that the casino company needs to complete its CityCenter financing.

MGM Mirage spokesman Alan Feldman said Thursday the company would pursue options that are far better than Deutsche Bank presented to obtain financing for CityCenter, which it owns in a 50-50 joint venture partnership with Dubai World, the investment arm of the Persian Gulf state.

While interior work on the tower has been suspended, all exterior construction on the west and east towers, casino and amenities is proceeding as normal, according to the sources.

The project is designed for 2,998 hotel-condominium units on 8.5 acres between MGM Mirage's CityCenter and Bellagio on the Strip.

Contracts were held on 1,825 units in late October, the last time that data was reported.

A few lawsuits have been filed in Nevada federal court and Clark County district court by some buyers who want their deposits, some of which were paid as long as four years ago, refunded.