

Wynn Las Vegas: The Unveiling

Through secrecy and his own reputation, developer has expectations in frenzy for latest Strip opening

By HOWARD STUTZ, GAMING WIRE

As he was preparing for the opening of The Mirage in 1989, Steve Wynn seemed taken aback by the attention.

The resort – the first new Strip development in almost two decades – was the subject of lavish praise for its „tropical oasis in the desert“ theme and financial scrutiny for its unheard of 630 million USD price tag.

Writers from national and local publications toured the property prior to its opening and authored glowing accounts of the white Y-shaped building, lush decor, expensive palm trees, faux volcano and the plans to bring dolphins to what once was mostly vacant desert land.

A pre-scandalized Michael Jackson made the yet-to-be opened Mirage his personal playground. The entertainer hung out with illusionists Siegfried & Roy as they prepared their new multimillion-dollar production show and even sat in during some of Wynn's media interviews.

Wynn, who had made his mark on Fremont Street spending millions to turn the Golden Nugget into a downtown landmark, feigned amazement at all the interest.

„It's just a hotel,“ he exclaimed with a Cheshire cat grin while shrugging his shoulders during one local television interview.

Changed skyline



Fast-forward 16 years and once again, Wynn is days away from unveiling another hospitality industry icon.

But even Wynn, now 63 and chairman of Wynn Resorts Ltd., would be hard-pressed to admit his newest creation is „just a hotel.“

Wynn spent the past five years planning, designing and developing the 215-acre site that had been home to the Desert Inn. This time, the resort carries his signature: Wynn Las Vegas.

The cost, 2.7 billion USD, makes the 2,716-room hotel-casino the most expensive Strip endeavor of its kind.

Wynn has again changed the look of the Las Vegas skyline with the resort's 50-story, curved tower covered in bronze glass.

The resort connects to the once-famous Desert Inn Country Club golf course, now completely redesigned by famed architect Tom Fazio and carrying an expected per round cost of 500 USD.

Acclaimed director Franco Dragone will present a multimillion-dollar water-themed production show in a 2,087-seat theater-in-the-round setting, which includes a 1 million gallon performance pool that doubles as a stage. The property, which opens Thursday, contains the usual Las Vegas accompaniments:

- 111,000 square feet of casino space that houses 137 table games, 1,960 slot machines, a race and sports

- book, a poker room, keno lounge and baccarat salon.
- 2,359 standard guest rooms at 620 square feet; 270 parlor and salon suites; 45 executive suites; 36 one- and two-bedroom fairway villas and six 7,000-square-foot private entry villas.
 - 18 restaurants and bars including six fine-dining restaurants overseen by renowned celebrity chefs.
 - 76,000 square feet of retail offerings including an on-site Ferrari-Maserati dealership.
 - 223,000 square feet of convention and meeting space.

The lavishness of Wynn Las Vegas is not lost on the competition, which welcomes the Strip's newest addition.

„I've never understood the hand-wringing about something new, especially in Las Vegas and Atlantic City," said Harrah's Chairman and Chief Executive Officer Gary Loveman. „If there isn't any exciting new development, then what do you have?"

Glenn Schaeffer, president and CEO of the Mandalay Resort Group, said Wynn Las Vegas enhances the tourism community.

„Steve has the talent each and every time to raise the profile and price in the market," Schaeffer said. „It's a positive in terms of bringing more visitors. Steve never lets anybody down."

MGM Mirage Chairman and CEO Terry Lanni said history has shown that customers will come to Las Vegas, stay at one property but might visit two or three others. Many customers want to be in Las Vegas for the opening but will stay at an MGM Mirage property.

„It's always a positive for the city when you add new capacity. But it's even better when you add capacity with excitement," Lanni said. „Steve will build a great property and bring new people to town. If we're doing what we're supposed to be doing, then we'll pick up some of that business also."

Boyd Gaming Chairman Bill Boyd, who has been part of Las Vegas' development since the 1960s, said he's prepared for the next wave.

„I think Steve has always done something that no one else has ever achieved,“ Boyd said. „There is always a new beginning for Las Vegas. The Mirage did that and, once again, I believe we're all going to stand back and say, `Wow.' “

Inside looking out

Unlike The Mirage, where the abundant decor enticed visitors inside, the main entrance to Wynn Las Vegas is obscured from the Strip.

A \$ 130 million man-made mountain, which rises to heights of seven stories in some places, with pine trees and other landscaping, hides the lower levels of the resort from Strip passers-by.

From inside the resort, guests can enjoy the mountain, waterfalls – some as high as 100 feet – dancing fountains and other special effects.

The hotel's main guest-arrival area features a garden adjacent to the registration desk with a view of the mountain, which also includes a three-acre man-made lake.

Natural light flows into the resort from an atrium above the garden – which is a much larger version of the conservatory at Bellagio – and through skylights in the ceilings of the curved walkways that lead past the Wynn Las Vegas restaurants and retail area.

For Wynn, the secrecy of the new resort has become part of the process.

No one from Wynn Resorts, other than Wynn, is allowed to discuss the project. Wynn has granted few pre-opening media interviews and he consented to talk with the Review-Journal

nine days before the unveiling.

He gave a Review-Journal reporter a one-hour tour of the resort.

„The systems and entertainment attractions are very hard to describe,“ Wynn said. „That’s the reason there hasn’t been a lot of chatter about the hotel. It’s not because we’re trying to keep a secret. This is a place that does not lend itself to verbalization. So, when you start to describe them, you resort to strained attempts to communicate something no one has seen.“

Taking photos of the property’s interior by the media is prohibited because Wynn has an exclusive deal with Vanity Fair that allows the magazine to publish the first photos of Wynn Las Vegas.

Wynn was somewhat secretive about Bellagio, prior to the 1.6 billion USD resort’s opening in 1998. But that was minimal compared to the 2005 media blackout.

„There are things here that we have never done before,“ Wynn said. „There is a degree of honesty that says don’t oversell something and don’t make a promise you can’t keep. It’s best to shut up and let them be surprised.“

His main reasoning for not letting out the details of Wynn Las Vegas prior to the opening? He wants the customers to discover it for themselves.

„This is a city glued by a single idea, that people from all over the world aspire to come and get a rich and deeper emotional experience,“ Wynn said during last month’s Nevada Gaming Commission meeting to approve the resort’s license. „They want to do things they are familiar with, but they want to do it bigger and better when they go on vacation.

„What’s left to us is to find a way to meet those challenges

and to offer people what they want when they come on vacation. So, when it came time to design the hotel, we had to go back to the very basic about what Las Vegas is all about. What makes people want to come here?"

In interviews and other public comments over the past few years, Wynn has been clear that this resort would be different than any he has designed.

Wynn Las Vegas would be a breakaway concept, where the property was designed from the inside looking out. The idea was the epitome of the megaresort genre, but at the same time, the resort would be the first of its kind.

„This hotel represents a sea change, it's a reversal of the Las Vegas historical perspective, and that's why it cost so much money," Wynn said. „The mountain is pretty, but it's the back of the stage. That's what you see from the street. The audience is the hotel."



But will the new concept and the colossal scale have appeal? Wynn thinks there is no doubt that visitors will love it.

„There is subtlety in the element of discovery," Wynn said. „This hotel exploits something else. The components are the same as our competitors', but the arrangement is all together different.

„This concentrating on the emotional experience of our guest is very unconventional. There are places to go in the casino

that are quiet where the energy level is nonexistent.“

Donald Trump, the New York real estate developer who has forged a love-hate relationship with Wynn over the years – „It’s been a lot of love for quite a while,“ Trump said – believes Wynn has hit on a winning idea.

„It’s highly imaginative, and I thought the concept of privacy was terrific,“ said Trump, who toured the resort with Wynn a few months ago. „He’s created mystery and it’s much more secretive than anything he’s done in the past. I’m really impressed with the thought process and the approach he’s taken.“

Loveman said Wynn’s design reflects the confidence Wynn has with visitors checking out the resort.

„The challenge is making sure that what you offer is bold and convincing enough to keep them inside,“ Loveman said.

Boyd said his opinion on the idea of hiding the resort from the public doesn’t matter.

„The customers will tell us whether they like it or not,“ Boyd said. „They are the ultimate decision-makers. I’m curious what the reaction will be. If they like it, we’re going to see more of it.“

Building boom

Following The Mirage, Las Vegas underwent a transformation. The resort served as the catalyst for a building boom like no other tourist destination in the world has ever seen. Today, the city boasts more than 131,000 rooms.

In the years since The Mirage opened, 11 major Strip resorts have been constructed, not counting several off-Strip locations.

Older properties doubled and sometimes tripled their room and

casino capacities. Las Vegas is now home to eight of the world's 10 largest hotels.

The most recent new resort opening on the Strip was in 2000, when the Aladdin replaced its imploded predecessor. Wynn Las Vegas is expected to trigger the next wave of development.

Already, Las Vegas Sands Corp. is building the 1.6 billion USD Palazzo, a 3,025-room resort next to The Venetian, also owned by the company.

MGM Mirage is in the middle of master-planning Project CityCenter, a 66-acre site between Bellagio and Monte Carlo that will have a 4,000-room hotel-casino as the centerpiece of its 18 million square feet of development.

Gaming analysts and industry observers expect new casinos to be built on the sites that house the New Frontier, Riviera and Stardust by the end of the decade.

Wynn also has announced he will add to the next building boom with Encore, a 1.4 billion USD, 2,000-room resort on 20 acres next to Wynn Las Vegas that would open in 2008.

„Las Vegas has been one of the most vibrant cities for development over the last 20 years,“ said Mandalay's Schaeffer. „Steve is just kicking off the next wave.“

Trump, who has been itching to get involved in the Las Vegas market for almost two decades, expects to break ground in a few months on the Trump International, a high-rise condominium and nongaming hotel project behind the New Frontier, almost across the street from Wynn Las Vegas. He said another building boom is not unexpected.

„Las Vegas has been a great miracle for many years,“ Trump said. „My project is going to bring Steve a lot of customers.“

Wynn's revenge?

In 2000, Wynn and MGM Grand majority stockholder Kirk Kerkorian negotiated the sale of the six-casino Mirage Resorts to MGM Grand for 6.7 billion USD. Wynn, who said recently he was happy to sell, though analysts insist he was forced out, walked away pocketing more than 500 million USD.

He then engineered the purchase of Desert Inn for 275 million USD and began plotting his return to the gaming industry.

Not all the reviews are positive.

Business Week had a headline in its April 11 edition touting, „The Revenge of Steve Wynn.“ The article quoted Wynn Resort’s human resources director as saying 2,000 job offers had been tendered to MGM Mirage employees.

„We actually lost almost 1,300 people,“ MGM Mirage’s Lanni said. „Several people estimated we would lose 5,000.“

Las Vegas Sands Corp. Chairman Sheldon Adelson turned down interview requests from the Review-Journal for this article. He and Wynn have feuded the past few years about the number of parking spaces at The Venetian, automobile access between the neighboring resorts and personal differences.

Adelson blasted Wynn in a recent interview in Forbes Magazine and during a conversation with the Chinese television show TalkAsia earlier this month.

Adelson said, „I don’t learn anything from Steve Wynn. He learns a lot from me, though.“

Schaeffer said, „One of the important factors of Las Vegas is the quality of the competition. Steve is an elite competitor.“

Five years later, Wynn is back, only this time, the competition will be with resorts he helped to build.

„I’ve never competed against my own joints before,“ Wynn said after the gaming commission hearing. „But this is a place

where the market and competition rages ferociously 24 hours a day, seven days a week. Las Vegas is the most violent hand-to-hand commercial combat on the planet. 'Go in my place, not his. Go in this hotel, not that one.' It's wild and rock and roll."

Lanni said Wynn will be in competition not only with his former properties but with many of his previous senior management who work for MGM Mirage, such as Mirage Resorts President Bobby Baldwin.

"We will share some of that business, but the disadvantage for Steve is that he only has one property and we have several," Lanni said. "I believe that might be why he's building a second resort. It gives him more capacity."

Competition among the industry, operators said, is good for the customer.

"At the end of day, Wynn Las Vegas is great for the city," said Palms owner and President George Maloof. "This is another attraction that I'm sure will be spectacular. I don't view it as competition, it's just adding to the spectacular offerings to the city. It makes all of us better."

Making an impact

Throughout his career, Wynn has overseen construction of four resorts in Las Vegas: The Mirage, Treasure Island, Bellagio and Wynn Las Vegas. He also built the Golden Nugget in Laughlin.

With Wynn Las Vegas bringing 9,500 jobs to the market, Wynn wondered what his historical impact will be someday to Southern Nevada's population boom.

"When I came here in 1967, there were 160,000 people living here. Now, there are 1.6 million," Wynn said. "The state of Nevada says that for every gaming job created, there are two

other jobs created. That's been true for decades.

„I've built hotels that have created fresh jobs for about 25,000 people. That means another 50,000 jobs, based on the state estimates, so 75,000 jobs total.

„Let's assume that every person for one of those jobs was part of a family of two or three. That would mean 200,000 people are here because of those jobs and we may be responsible for 14 (percent) or 15 percent of the population growth.

„So, if I complain about the traffic ... I have no one to blame but myself," Wynn added.