



Business Executive Lifestyle Magazine

Building a City

by Marcia Pledger

On any given day the Las Vegas Strip attracts visitors from around the world, anxious to be part of nonstop excitement and glamour. It's easy to forget that it all started just six decades ago with a vision.

Love it or hate it, Las Vegas is known all over the globe — a status most city officials wish they could claim. It's home to many of the world's largest top hotels and offers so much more. Every extraordinary plan started with a vision. Luckily for this city, several visionaries continue to put their mark on the Las Vegas Strip.

Businessmen finance projects. But visionaries are dreamers who find a way to make it happen.

Bugsy Siegel exemplified a visionary when he opened Flamingo Hotel in 1946, the same year the state levied its first gaming taxes. Legend has it that while driving back east from Los Angeles through the small railroad town of Las Vegas, Siegel suddenly had a vision of turning it into a gambling mecca. His vision was fueled by the fact that gambling was legalized in 1931 in anticipation of the growth of tourism following the completion of Hoover Dam.

While the Valley's economy got a significant boost during the Great Depression, gambling was concentrated in several downtown casinos along Fremont Street. The famous Las Vegas Strip was just desert.

Siegel's hotel and casino may have faltered, but a spark was ignited. Siegel was a gangster with a vision. Today's visionaries work with extraordinary business minds to create something

magical. And they continue to make history.

Steve Wynn

It's no accident that Las Vegas surged from slightly more than 24,000 residents in 1950 to more than 1.6 million people today. Gambling now accounts for about half the city's intake. A large part of that growth explosion is directly due to people like Steve Wynn and Sheldon Adelson.

Wynn, graduate of the University of Pennsylvania and son of a bingo parlor operator, first made his mark on Fremont Street by spending millions on the Golden Nugget. Then in 1989 he built the Mirage, one of the biggest transformations on the Las Vegas Strip, the first new Strip development in nearly two decades. Wynn set new standards for risk, service and luxury when he opened the resort, complete with expensive palm trees, an outdoor volcano and dolphins in the desert.

He went on to build the themed Treasure Island, then further expanded his concept of the luxury casino with the Bellagio resort. High-end clientele were attracted to the artificial lake, indoor conservatory, upscale boutiques and restaurants featuring celebrity chefs. Displaying museum-quality artworks in a casino resort was another first. Giving tourists an opportunity to see multimillion dollar paintings by famed artists like Picasso and van Gogh, was just Wynn's way of taking the Strip to another level. Others followed, creating a new spree of luxury developments that further changed the look of the Las Vegas skyline.

The investment from Dubai's government-owned holding company also includes another \$2.4 billion to acquire more than 28 million shares of MGM Mirage stock.

Three weeks later, Dubai World entered a second joint venture with MGM Mirage for a yet-to-be-named multibillion-dollar resort located on 40 acres on the southwest corner of the Strip and Sahara Avenue. Construction is scheduled to begin in early 2009 and the resort is expected to open in 2012.

Lanni said he's excited about both deals, especially CityCenter (pictured right), scheduled to open in November, 2009.

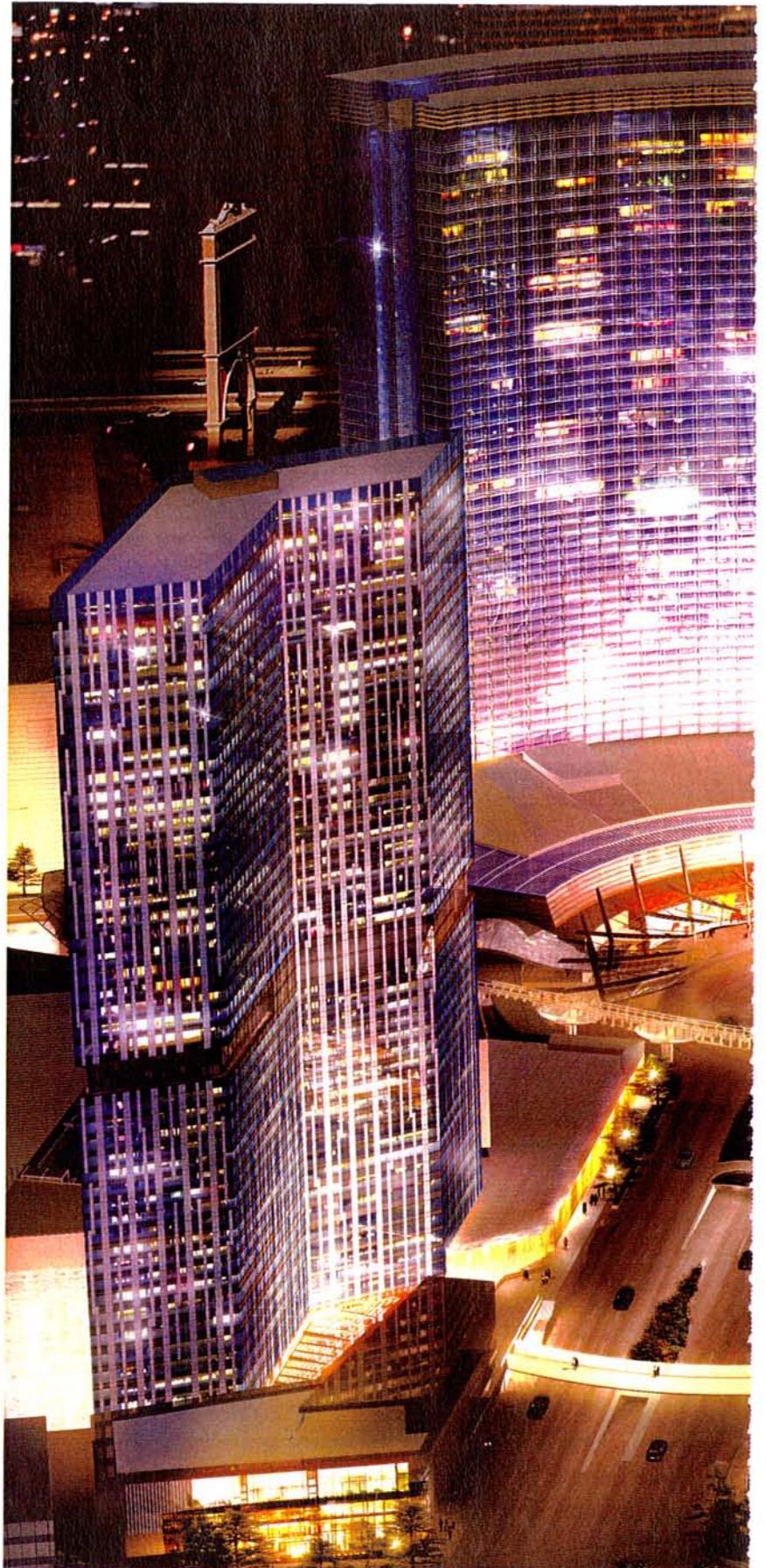
"It's a transforming event for Las Vegas. It's going to Manhattanize Las Vegas," he said. CityCenter will include two 400-room non-gaming boutique hotels, a 4,000-room hotel casino, clubs, world-class spas, retail and 2,650 high-rise residential condominiums. That means you can expect to see delicatessens, pharmacies, markets and dry cleaners.

"You're going to have people living on the Strip, so they're going to need all sorts of facilities. We're literally thinking about Midtown Manhattan [with the design]."

Lanni said talks with Dubai World began in June when MGM Mirage negotiated a joint venture with Kerzner International Holdings to develop land on the northern end of the strip. Dubai World owns 30 percent of Kerzner, and Sultan Bin Sulayem, chairman of Dubai World, was impressed when he took a tour of CityCenter on that same trip. In the spring, Lanni put together a meeting between Sulayem and MGM Mirage majority shareholder and board member Kirk Kerkorian to discuss a joint venture.

Lanni, who owns a dozen thoroughbreds, first met Sulayem in 1999 when he and his wife went to a race track in Dubai. The two men sat next to each other and began talking about ventures and land on the Las Vegas Strip.

Lanni might be open to share some background about this deal, which includes talking business with Sulayem at a party off the coast of Italy. But he stops there. Just mentioning the words, "deserving credit" make him uncomfortable.



Two years ago, when the chairman of Wynn Resorts Ltd. opened the \$2.7 billion resort that carries his signature, Wynn Las Vegas, it was the most expensive Strip endeavor yet. Located on the former site of the Desert Inn, Wynn changed the look of the Las Vegas skyline again with the resort's 50-story curved tower covered in bronze glass.

Sheldon Adelson

Billionaire Sheldon Adelson is another property developer and visionary who helped change Las Vegas. Ranked by Fortune 500 as the sixth richest person in the world, he has created and developed more than 50 companies, but in Las Vegas, the son of a Boston taxi driver is probably still best known for Comdex, a trade show he developed with partners for the computer industry. His goal might have been getting more visitors to his hotel, but all sorts of Las Vegas hotels and businesses thrived each year when the massive trade show came to town.

Adelson bought the Sands Hotel & Casino and then converted the former hangout of Frank Sinatra and the Rat Pack into the Sands Expo and Convention Center with an eye to bringing to Las Vegas a new kind of clientele. His 1.2-million-square-foot convention center not only guaranteed a built-in customer base for his property, he helped change the way Vegas does business by attracting tens of thousands of conventioners midweek.

Later, while honeymooning in Venice in 1991 with his wife, Miriam, he was inspired to build a Venice-themed mega-resort hotel. He demolished the old Sands casino to build the \$1.5 billion Venetian. The luxurious 4,049-room all-suite hotel and casino revolutionized the Las Vegas hotel industry. Marble interior, upscale restaurants and spa, a shopping mall and singing gondoliers paddling through a glass-covered faux canal led to architectural and other awards naming it among the finest hotels in the world.

Both Wynn and Adelson have opened mega-resorts in Macau, helping to transform the small city in southern China from a gambling pit stop to a vacation and business convention destination. Adelson opened the \$2.4 billion Venetian Macao Resort in August, claiming the world's largest casino floor in Asia's largest building in the Chinese gambling enclave.

The next wave of development in Las Vegas is underway now, including the 2,000-room Encore at Wynn Las Vegas, scheduled to open in 2008. Echelon Las Vegas is scheduled to open in 2010 at the Stardust site, with a collection of four hotels, 5,000 rooms and a \$4 billion price tag. Statistics from the Las Vegas Convention and Visitors Authority show about 45,000 more hotel rooms are scheduled for completion by 2012.

Adelson's Las Vegas Sands Corp. is building the \$1.8 billion Palazzo, a mega-resort that features more than 3,000 all-suite

rooms, next to the Venetian. The Shoppes at the Palazzo will be anchored by its flagship retailer Barneys New York and connected to the Venetian via The Grand Canal Shoppes. The 450,000 square foot retail space will house about 60 high-end and midlevel stores.

Las Vegas' next major project is the \$7.4 billion CityCenter, a mixed-use mega-project that will entice people to live, eat, work and play on the Strip. From casinos to luxurious condominiums, markets and dry cleaners, MGM Mirage chairman and CEO Terry Lanni said developers had Midtown Manhattan in mind while creating this city within a city. The 5-year project is halfway complete.

J. Terrence Lanni

Seven years ago J. Terrence Lanni stepped down as CEO of the MGM Grand Inc. After more than 25 years in gaming, the casino executive thought he was ready for some sort of a change. Remaining non-executive chairman of the board would keep him close enough to the action.

During the next month and a half, talk of merging with Mirage Resorts began, and the MGM's board of directors asked Lanni to return as CEO and chairman of the board. His so-called departure from gaming lasted just seven weeks. The gaming veteran was needed to oversee the acquisition of Mirage Resorts, creating MGM Mirage.

Why did he step down in 2000?

"I thought we had accomplished everything that we could at that point. Clearly, I was wrong," he said.

That same year, Lanni was inducted into the Gaming Hall of Fame. He went on to start an award-winning corporate diversity initiative, the first of its kind in the hotel industry. A year later, he was the recipient of Casino Journal's Lifetime Achievement award. In the spring of 2005, he led his company through another successful merger, with Mandalay Resort Group, a move that increased the company's workforce from 40,000 to 70,000.

"I am doing what I did before and what I love doing."

At 64, it's clear that Lanni is just getting started. Two joint ventures he's leading now will undoubtedly change the Las Vegas Strip — again — for decades to come.

Within the last month he played a huge role in finalizing two multibillion-dollar deals. In August, the gaming company's board of directors approved a \$2.7 billion investment from Dubai World, for a 50 percent stake in CityCenter, a \$7.4 billion mixed-use project under construction on 76 acres on the center Strip.





This photo was taken last summer with Peebles' personal camera as they disembarked from their jet on the way to the family's summer home in Santa Fe, New Mexico. Peebles generally opts to take less exotic vacations in his spare time, because when he's not working, he prefers to spend time with his family, doing things like watching or coaching 13-year-old Donahue III in basketball. "When we do, we bring our children with us," he said. He and his wife, Katrina, also enjoy watching their 4-year-old daughter Chloe play tennis or ride horses.

He's also a man who knows how to prioritize and he puts his family first. As quick as he is to throw out data, like having a net worth of more than \$300 million, he's quicker to boast of only missing one of his thirteen-year-old son's basketball games in the last six years. He missed that game because he was in trial over a piece of commercial real estate. "I had it videotaped and overnighted to me," he said, noting that he's just as adamant about taking part in his four-year-old daughter's horseback riding and tennis activities.

"One of the things money provides is freedom — the time and the opportunity to make good decisions," he said. "I worked hard early and created wealth early to have freedom to do things that are important to me."

For Peebles, working with a trusted and competent executive team allows him to spend more time with his family. The senior executive in charge of the Las Palmas project (pictured left) has worked with him since 1996, starting out with a high five-figure salary. Now he's a multimillionaire.

"How would my children look at me if I missed their events because I was trying to make more money. I'm already exceptionally wealthy. At the end of the day, it would be hard for me to say, I missed all of your events because I wanted to get to \$500 million," he said.

Peebles believes that relationships are earned, so he treasures his children and his 15-year-marriage. His childhood helped shape him. Unfortunately, he recalls his father attending only

one of his basketball games in five years, even though he lived just five miles away. He also recalls his father driving a Cadillac while sending his divorced mother just \$65 a month.

His mother's sisters and their husbands — who were educators, a lawyer and a doctor — all influenced his outlook on life. "One thing I got from all of them was to not see any limitations and believe I could accomplish anything I wanted, as long as I set my mind to it."

But nobody had more influence on him than his mother, who had him at age 19. She introduced him to real estate, first as an agent, a broker and then an appraiser. She also believed in him when other family members questioned his decision to drop out of college, especially after he sold real estate for five years, barely making a living.

His fortunes started turning around at 23 when he started an appraisal business. Four years later he was a millionaire. Now his goal is to be among the Forbes 400 one day.

"If I successfully complete the projects I have underway right now, I will have a net worth of over a billion dollars," he said, noting that those projects include another project in Las Vegas that has not been announced.

"That's a long journey for the grandson of a doorman and the son of an auto mechanic. My grandfather worked for the Wardman Park Hotel, managed by Marriott. Now I own a Marriott in D.C., three miles away." 