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Sands Looks to Restart Macau Resort Project

By [Brian K. Miller](#)

LAS VEGAS-Las Vegas Sands Corp. said Thursday it wants to restart sometime this year its \$11-billion resort project in Macau (China) known as the Cotai Strip. In November, with phase-one completion of the project nine months out, the publicly held casino-resort operator revealed that it was [in danger of defaulting](#) on \$5.2 billion in credit facilities secured by its US operations, [halted construction](#) at active development sites worldwide and promptly completed an emergency \$2.1-billion capital raise, thereby removing "substantial doubt about the company's ability to continue as a going concern."

Overseas, the company halted its Cotai Strip development in lieu of project-level financing, putting at risk its control over the entire project--including the properties it has already built, including Sands Macau and Venetian Macau--if it cannot extend the deadlines in its development agreement with the Macau government and obtain additional financing. Work did not stop on Marina Bay Sands, its \$5-billion-plus development in Singapore that includes 2,600 hotel rooms in three 50-story towers; a 750,000-square-foot enclosed retail, dining and entertainment complex; a 1.3-million-square-foot convention center, a bay-front promenade and, of course, a casino. The company closed on a \$3.8-billion facility to fund most of the construction in January 2008. The company intends to open that resort in late 2009.

"We are certainly looking to resume [construction for the Cotai Strip] in this calendar year," Stephen Weaver, Sands' Asia president, is said to have told reporters. "We're in discussions with a number of very credible ... partners." Weaver reportedly provided no additional detail about the potential investors, other than to say the pool does not include the Macau government.

In the US, Las Vegas Sands stopped work on the \$600-million, 400-unit, high-rise condominium tower it is developing on the Las Vegas Strip, in front of its new Palazzo resort, but continued work on the associated retail podium. It also stopped work at its \$700-million, 124-acre Sands Bethlehem development in Pennsylvania for everything but the casino portion.

Las Vegas Sands had \$10.5 billion in long-term debt as of the start of the year. Last week, after laying off an additional 283 people in Las Vegas, the company said it was discussing with its lenders an amended credit agreement that would allow it to buy up to \$800 million in debt. The casino operator reportedly would like to have it as another option to avoid breaching loan covenants. The proposed amendment would permit the company to acquire term loans outstanding under the credit agreement, at which point they would be immediately canceled and retired. Any purchases of said term loans would be conducted via a modified Dutch auction with a minimum repurchase offer of \$25 million in per auction.

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