

Station thinks big with Viva project

Mixed-use complex planned for 110-acre plot

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President Lorenzo Fertitta, left, and Chief Executive Officer Frank Fertitta III are behind Viva, Station Casinos' mixed-use megaproject. Frank Fertitta says Viva will be similar in size and scale to the MGM Mirage's CityCenter. Lorenzo Fertitta says the project is significant and will keep the company busy for the next 10 years.
Photo by Samantha Clemens/Review-Journal

Station Casinos is designing the most ambitious project in its 32-year history -- a multibillion-dollar development that would be bigger than MGM Mirage's \$8 billion CityCenter.

A mixed-use development, tentatively titled Viva, is envisioned for 110 acres on Tropicana Avenue just west of Interstate 15 that's now the site for the Wild Wild West hotel-casino and some restaurants, retail shops and warehouses, the locals gaming company said.

Building of the project, which could eventually cost as much as \$10 billion, is planned in phases. The first phase is expected to have three hotels with 5,200 hotel rooms and a large casino.

The company is also discussing building an arena on the site.

As we started looking at the site, originally we were talking about one hotel-casino," Station Casinos President Lorenzo Fertitta said last week. "But as we got more property we decided we have the ability to put multiple properties on there and create a whole development."

Chairman and CEO Frank Fertitta III added: "Based on the build-out and density of what we're planning, it would be similar in size and scale to the CityCenter project."

Lorenzo Fertitta said the gaming company has been master planning the project for the past year and it is "on top" of the company's development list.

But don't expect a groundbreaking soon. Planning for the \$925 million Red Rock Resort took four years before breaking ground.

"It takes years to get a design completed," Frank Fertitta III said. "Point of fact is we're going to be in a position where CityCenter is going to be open. We're going to have some visibility on how they're doing before a project like this is even going to be in the ground."

Station Casinos' planning on the project comes while Crown Las Vegas, Cosmopolitan, Tropicana -- projects by people new to the market -- have met financial trouble.

However, Deutsche Bank gaming analyst Bill Lerner called Viva "a real project we should all take very seriously."

Lerner said the company should have little trouble raising capital because of its reputation as a casino developer and builder.

"When you have land and you have expertise, money will follow," Lerner said. "The good news is they don't have to raise the capital for it right now. The credit market will work itself out over a period of time."

Lerner also noted that Station Casinos' new status as a private company could help immunize the project from the financial market turmoil.

"If they were public when this was announced, it is a project Wall Street would have taken exception to," Lerner said. "It is outside of what is viewed to be their core locals market niche."

The land, which Station Casinos began assembling in 1997, stretches from Tropicana to Harmon Avenue in the north, and is bordered by Dean Martin Drive to the east and Valley View Boulevard to the west.

The company is talking with financial institutions and possible equity partners about financing for the project, Lorenzo Fertitta said. Station Casinos is also talking to hotel companies interested in breaking into the Las Vegas market about becoming partners in the project.

"We're certainly talking to all these different brands to find out whether they're a fit," said Lorenzo Fertitta.

Frank Fertitta III added: "There isn't a hotel company we haven't been talking to."

Station Casinos went private after a \$5.4 billion buyout closed in November. The company is now owned by a partnership between the Fertittas and Los Angeles-based real estate investment firm Colony Capital.

Although Viva is still a project on the horizon, Station Casinos is busy on other fronts expanding its gaming empire.

The company is set to open the \$675 million Aliante Station in North Las Vegas, a joint-venture between the company and land developer American Nevada Co., by the end of the year. It is also positioned to start construction on the 67-acre gaming site on Durango Drive and the Las Vegas Beltway.

"We'll be in a position towards the end of the year if we want to break ground we could do it," said Frank Fertitta. "It's pretty much ready to go."

The company also has other land holdings in Clark County, including the 26-acre Castaways site; 61 acres on Cactus Lane and Las Vegas Boulevard; and 45 acres in the Inspirada development in Henderson.

Station Casinos owns and operates nine hotel-casinos and is a joint-venture partner on another. The gaming company, started in 1976 by Frank Fertitta Jr. as a 5,000-square-foot gambling hall

where Palace Station now stands, also owns and operates three stand-alone casinos, co-owns two stand-alone casinos and manages an American Indian casino outside Sacramento, Calif.

There is no time frame for when Station Casinos will bring Viva before county planners for approval.

"It will be a pretty significant development and a significant property that will keep us busy for the next 10 years," Lorenzo Fertitta said.

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