

Developer looks to give 'new twist' to the Strip

Ex-MGM exec to head casino operations

BY ARNOLD M. KNIGHTLY

Although the developer of the old Klondike Hotel & Casino site is busy acquiring use permits from Clark County for a hotel-condo-casino project, don't expect to see any activity in the near future.

In September 2005, Royal Palm Las Vegas, a subsidiary of Florida-based Royal Palm Communities, purchased the old resort and its site for \$23.7 million. This augmented 5.25 acres of vacant land Royal Palms had purchased four months earlier, for \$42 million.

Citing changes in the Florida real estate market and rising construction costs in Las Vegas, Royal Palm CEO Daniel Kodsi said that the project, which will be called Paramount to associate it with the company's similar projects in Miami, will move forward but at a slower, cautious pace. "This is a big project for us," Kodsi said. "We are still cleaning up deals we have down here in Florida. We're taking our time. We're really studying the market, studying different options."

The property, slated to include 1,100 condo-hotel units and 700 regular hotel rooms, is located on the west side of McCarran International Airport. In keeping with Federal Aviation Administration guidelines, construction on the site cannot exceed a maximum of 25 stories or 255 feet. Kodsi's current designs call for a 17-story tower.

While Kodsi cautions that specifics for the project could change, on Oct. 4 he appeared before the Clark County Commission, asking for use permits and a design review. Described as a casino-resort-hotel, the Paramount project is planned with 60,000 to 70,000 square feet of gaming, a 1,200-seat theater, restaurants and night clubs.

"We're not coming in there to reinvent the wheel," Kodsi told the Business Press. "We're looking to bring in something that has been successful on the Strip and twist it. We want to give it our own twist."



The shuttered Klondike Hotel & Casino still has no date with the wrecking ball, as its new owners are in no hurry to build on the South Strip site.

Kodsi said the casino would be run by third-party management, although he declined to disclose who the operator would be. In an interview with condo-industry blog www.condocompany.com, posted Aug. 11, Kodsi stated that he had "brought the former CEO of MGM" to run gaming operations.

While the Business Press was unable to determine the executive's identity by press time, possibilities include former MGM Grand CEO Larry J. Woolf and former MGM Mirage President (and MGM film studios CEO) Alex Yemenidjian. Woolf is currently CEO of Navegante Group a casino-management company with operations in Nevada, Canada and Macau. Yemenidjian, according to a Business Press source, is currently pursuing gaming industry opportunities with former MGM Mirage Vice Chairman Daniel Wade. Wade resigned from the MGM Mirage board on March 27.

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Kodsi said that while the sales prices for condo units have stabilized in the Las Vegas market, construction costs continue to rise and that he wants to make sure the project can turn a profit before actual construction begins. While the current goal is to break ground by the end of 2007, Kodsi said that he is not interested in publicly promoting the project until it is closer to becoming a reality.

"We went through the initial stage of getting the approvals," Kodsi said. "Now there is a long road ahead. We're developers. We're not guys that just came into this market and bought a sign on the Las Vegas Strip, and have a dream. We build. We've built billions of dollars in development in Florida and we intend to build this project, too." There are currently three Paramount projects in development in the Miami area: Its Paramount Bay at Edgewater Square and Paramount Beach at Sunny Isle are luxury-condo projects. Paramount Park at downtown Miami is a condo-hotel development.

The Klondike, located at 5191 S. Las Vegas Blvd., was closed in late June, but no timetable has been set to demolish the casino and 153-room motel, and move forward with the new Paramount resort. "We're still studying the design of the project, even though we have our (initial) approval," Kodsi said. "We're looking to make the building more efficient to build. We're taking all the right steps to make it a successful project."

Royal Palm is also tapping local talent to help develop the site: The designated architect is Marnell Corrao Associates, while interior and lighting designs are being handled by the Paul Steelman Design Group.

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