



Business PRESS

Thursday, September 08, 2005

[Home](#) | [News](#) | [Commentary](#) | [Columnists](#) | [Classifieds](#) | [Archives](#) | [Contact Us](#)



Developer to use own money to finance Clooney project

BY DAVID MCKEE
BUSINESS PRESS

For the better part of a decade, experts have debated if and when a "Harmon Strip" would evolve, extending the luxury-and-gambling ethos of Las Vegas Boulevard east along Harmon Avenue to the Hard Rock hotel-casino.

The recent announcement, headlined by celebrity investors Rande Gerber, co-creator of the Whiskey Bar chain, and actor and director George Clooney, of a resort village to be called Las Ramblas appears to take talk of a "Harmon Strip" one step closer to actuality.

Budgeted at \$3 billion, Las Ramblas is positioned to target the burgeoning luxury-lifestyle market created by recent tax cuts. Its 11 towers, to be erected on the current site of the Harbor Island Apartments and 14 nearby four-plexes, will be mostly devoted to condominiums, along with a luxury hotel, a casino, retail and sundry amenities. "This is the first condo project (in Las Vegas) that's going to be like a village," said Bruce Hiatt, of Luxury Realty Group. "We think it's a new trend. Developers want to maximize the land."

Las Ramblas is a joint-venture development by Centra Properties and Related Las Vegas. The latter's parent company, Related Group, has been very active in Miami and built New York's Time Warner Center.

It is also building Icon Las Vegas, a pair of 48-story condominium towers on Convention Center Drive. Icon Las Vegas was designed by the Miami-Los Angeles firm Arquitectonica, which will also be the lead designer on Las Ramblas, in collaboration with interior designers Keith Hobbs and Philippe Starck.

"We have not committed to a contractor yet," said Related Las Vegas President Marty Burger, adding that the company would be talking to that community once its designs were further along. Early speculation pegs local building firm M.J. Dean Construction as the front runner.

Related also eschewed using an investment banker to assemble financing for Las Ramblas, according to Burger, who said, "We're a very large borrower so we tend to do it ourself." So far, the project has been underwritten with a first mortgage from Deutsche Bank and mezzanine funding from Lehman Brothers.

Burger, who was involved in structuring funding for Time Warner Center, explained that Related had in excess of \$100 million in funds.

"We're using that capitalization to carry us to when we start construction," he said. "When we go to stick a shovel in the ground obviously we're going to need more."

After acquiring the Harbor Island site and adjacent real estate, for \$80 million-plus, Burger believes he has enough capital on hand to bankroll design, marketing, advertising, sales and a sales center over the two years it will take to complete the initial phase of construction.

He hopes for a January opening for the sales center. Hiatt, who represents would-be condo buyers, said he is already taking reservations for Las Ramblas.

As for access issues, Burger said he has until 2008 to worry about those. By that point it will have been a decade since the Clark County Commission authorized a rerouting of Harmon at the Strip, through what is currently barren land immediately to the south of the Aladdin.

The Related Las Vegas president is optimistic, given improvements that are being made elsewhere on Harmon, not to mention the prospect of MGM Mirage's City Center being built at that intersection, providing an anchor to the new corridor. Besides, "the people who live there (at Las Ramblas) will probably avoid Las Vegas Boulevard."

THE-
reviewjournal.com
**DINING
GUIDE**

Pamper yourself with
a visit to a Spa



**LIVE LIKE
A QUEEN
LAS VEGAS STYLE**
Find some choice deals
on hotel/air/car & more.
**Research your next
Vegas getaway by
checking out the
Travel section on
reviewjournal.com**

Web Extras

[Web Directory](#)
[Yellow Pages](#)
[White Pages](#)
[Meet Someone](#)
[My Page](#)
[City Guide](#)
[Lottery Results](#)
[Weather](#)
[Movie Listings](#)
[Maps/Directions](#)
[Horoscope](#)
[Greeting Cards](#)



Las Ramblas will be a series of condominium towers. The project might finally be making a resort corridor of Harmon Avenue.

JOBS TODAY
ONLINE

**Get the right job.
Right now.**

click now for a **FREE**
online interview ▶



Even with the Hard Rock building condos immediately to the east of the Las Ramblas site, and Starwood Hotels & Resorts partnering with Edge Resorts to develop the W Las Vegas Hotel, Casino & Residences on his west flank, Burger doesn't think he will be squeezed for financing. As for construction, though, "the materials may be an issue. It's a problem for Las Vegas as a whole," he said.

Hiatt is sanguine, however. "Related's pretty smart," he commented. "They tend to orchestrate their construction early in the game."

Nor, given Related's track record, does he think there's any serious chance of Las Ramblas turning out to be a here-today/gone-tomorrow condo chimera like the ill-fated Vegas Grand and Aqua Blue projects.

"Down there," he said, referring to Related's Florida roots, "when they announce that they're going to build something, they build it and they build it on time."

If Burger has any marketing worries about being bookended by the Hard Rock and W properties, he doesn't admit to it, saying that both of the competitors are focused on resort gaming.

"The main thrust of our project is not a casino," he elaborated. "Our project is 11 towers and only one of those towers is a hotel-casino. We're not going to be all about the neon, the glitz. We're just going to create an environment that has not been seen in Las Vegas before. Where have you seen 11 skyscrapers (together) in Las Vegas before? We're creating 4,400 units. We're building a city."

dmckee@lvpress.com | 702-871-6780 x318

[Back to index](#)

[Email this story](#)

[Print this story](#)

Copyright © 2005 Las Vegas Business Press