



Gaming Insider

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As Strip work slows down, agencies go elsewhere

The gaming industry has written off resort expansion along the Strip for the rest of the decade.

The focus is on nongaming attractions, such as the \$550 million Project Linq, which is being developed by Caesars Entertainment Corp. between the Flamingo and the soon-to-be-renamed Imperial Place. The retail, dining and entertainment complex will be anchored by a 550-foot-tall observation wheel.

Stalled megaresorts, such as Echelon and Fontainebleau, could sit unfinished for several more years.

Wynn Resorts Ltd., Las Vegas Sands Corp. and MGM Resorts International have focused development plans outside the United States in Macau and other potential opportunities in Asia.

Caesars is opening two casinos in Ohio, has proposed a project for downtown Baltimore, and is bidding — along with Wynn, MGM Resorts and others — for a casino in Massachusetts.

So it makes sense Las Vegas-based companies tied to the casino industry seek work outside the market.

Last year, advertising and public relations firm SK+G helped open the \$1.8 billion Galaxy Cotai resort in Macau for Hong Kong-based Galaxy Entertainment.

SK+G recently signed on as the agency of record for Baha Mar, a \$3.5 billion resort development in Nassau City in the Bahamas. The company will provide brand strategy, creative and website development, media planning and buying services to the 3,800-room multi-hotel and gaming destination, which is scheduled to open in late 2014.

SK+G still handles advertising work for many Las Vegas-based gaming companies, including MGM Resorts, regional casino operator Pinnacle Entertainment and CityCenter's



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Baha Mar is a \$3.5 billion resort development planned for Nassau City in the Bahamas. The 3,800-room multihotel and gaming destination is scheduled to open in late 2014.

components, including Crystals retail complex and the centerpiece Aria hotel-casino.

However, a lack of new Las Vegas resort openings, which provide a large amount of work over a several-year period, made the opportunity in the Bahamas too lucrative to ignore. Baha Mar could be worth between the high six-figure range to the low seven-figure mark in agency billings.

Jim Gentleman, senior vice president of strategy and account management for SK+G, said Baha Mar gives the agency a chance to showcase its work to an international audience. The project on the Bahamas' Cable Beach is expected to compete with the Atlantis on Paradise

Island, one of the world's most well-recognized hotel-casinos.

"Baha Mar is more of a luxury destination that will capture the essence of Bahamian culture," Gentleman said.

For now, work on the project will be handled out of SK+G's stylish offices in the southwestern end of the Las Vegas Valley off Interstate 215.

But, he doubts employees at SK+G will balk when asked to travel to the Bahamas.

SK+G has already branded Baha Mar as "a new chapter" in the history of global glamour.

"The 1920s had Paris. The '30s had Shanghai. And the '60s had Saint Tropez," Gentleman said. "Today has

Baha Mar, the new world destination for the 21st-century traveler."

Funny thing is that the project almost never happened.

The project had several different falling outs with finances and management teams over the past decade. Caesars Entertainment — when the company was known as Harrah's Entertainment — signed on to manage the project in 2007, but was out of the picture within a year.

In 2010, China's Export-Import Bank agreed to arrange financing, and Beijing's state-owned construction corporation signed on to build the project.

"The Bahamas attract 80 percent of their tourists from the U.S., but the partnership with China allows the project to tap into that huge market," Gentleman said. "There is also a lure to visit Miami and there is a huge opportunity for travel from Brazil and other parts of South America."

Baha Mar sits on 1,000 acres and the resort will include hotel brands such as Rosewood Hotels & Resorts, Morgans Hotel Group and Hyatt Hotels & Resorts and a yet-to-be-named casino-hotel company.

The project is considered the largest single-phase resort development ever in the Caribbean.

Amenities include the largest convention center in The Bahamas, with 200,000 square feet of space that doubles as an entertainment venue and sports arena. Plans call for an 18-hole Jack Nicklaus Signature Golf Course, a 50,000-square-foot retail center, celebrity chef-branded restaurants, a 20-acre water park and spas.

Gentleman said the Galaxy Cotai gave SK+G expertise in opening international hotel-casino developments.

"This is a big account for us," Gentleman said.

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