

Project fit for a King, perhaps

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by Arnold M. Knightly

Las Vegas Gaming Wire

LAS VEGAS, Nevada -- Elvis lives. (At least along part of the south Strip).

A real estate company with licensing rights to the estate of Elvis Presley, which recently took complete control of 18 acres on the southeast corner of Harmon Avenue and the Strip, plans to develop a mixed-used project stretching from the Harley-Davidson Cafe to the Smith & Wollensky building just north of the MGM Grand.

The company, New York-based FX Luxury Realty, said an Elvis theme will play a part.

"We intend to pursue a retail, hotel, casino and residential project on that property," said Ed Tagliaferri, spokesman for FX Luxury. "It is likely the property will be used, in part for an Elvis-themed development given that Elvis was the embodiment of Las Vegas."

The company did not release a time for any development.

FX Luxury had held a 50 percent interest in the land. It bought out an unidentified partner, according to a June 1 filing, for the remaining 50 percent for \$180 million.

Bill Lerner, a gaming analyst at Deutsche Bank, said the land value comes to \$36.7 million per acre with the assumption of debt. The value surpasses the roughly \$35 million per acre New York-based developer Elad Properties is paying for the 34.5-acre New Frontier

Some current tenants along the stretch of prime real estate are skeptical, though, noting that they have heard plans for the area before.

"I've been hearing plans here for 10 years," said Larry Miller, vice president of Harley-Davidson Cafe. "Every day there is another story."

The licensee of the Harley-Davidson Motor Co. opened its 20,000-square-foot restaurant on the corner in September 1997.

The cafe's location has been mentioned as a prime spot for redevelopment during the past few years as land prices along Las Vegas Boulevard continue to rise.

In 2005, a joint-venture partnership including entities of FX Luxury announced plans for two 55-story luxury hotel-condominium towers using the Harley-Davidson Cafe site.

"Everybody has ideas," Miller said. "People have called us numerous times. Everybody wants to do a lot of things. Until anything is specific, we are going to continue to do business and serve good food."

Outside of the Harley-Davidson Cafe, most shop owners were reluctant to talk publicly about their futures.

One shop owner said his store runs on a month-to-month lease with a 30-day notice to vacate. He declined to comment further.

The 80,000-square-foot Hawaiian Marketplace is at the center of the land holdings.

The \$175 million island-style shopping plaza opened in May 2004 with hopes of revitalizing the length of Strip for tourists between MGM Mirage and Planet Hollywood Resort. Sitting in front of the Polo Towers, the interior portion of the marketplace sits largely empty with Pizza Hut Express, a Port of Subs and a KFC Express all closed.

Stephen Cloobek, developer of the Polo Towers, said he holds deed and height restrictions on some of the land around the time share that could limit whatever FX Luxury is planning.

"I look forward to seeing what they purpose," said Cloobek, chief executive officer of Diamond Resorts. "Anytime there is great developments, it's wonderful for the community."

FX Luxury is an affiliate of New York-based entertainment group CKX.

CKX now operates Presley's Graceland and the image, likeness and name of Presley and boxer Muhammad Ali, as well as the "Idol" television brand including "American Idol."

The company is working with Cirque du Soleil to develop a Presley-themed show for an 1,800-seat theater scheduled for MGM Mirage's \$7.4 billion CityCenter scheduled to open December 2009.

FX Luxury also holds a 57 percent stake in investment group Riv Acquisition Holdings.

The group is awaiting an answer to a \$461 million buyout offer made in May for the Riviera's parent company, Riviera Holdings Corp.

As talk continues about all the plans, Miller said the cafe will continue to operate under its current multiyear lease.

"We intend to be there," said Miller from his New York office. "We continue to do business every day."

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