



JAN/FEB/MAR 2015



A Little Bit of Paris in China

Las Vegas Sands' new integrated resort, the \$3 billion Parisian Macao, will bring the City of Light to the Middle Kingdom

By Matt Alderton

The Chinese word for luck is *yùqì*. But, if you ask billionaire businessman Sheldon Adelson how to win big in China, he just might offer the French word instead: chance.

The reason isn't ancestry—Adelson is Ukrainian Jewish, not French—but rather strategy. Although most Chinese citizens lack the money, knowledge, and tourist visas to travel the world, Adelson wagers that they nevertheless want to see it. So, when his company began planning its fifth Chinese development, it decided to bring the outside world in. Specifically, it's bringing Paris, which attracts more than 15 million international visitors every year, including more than 225,000 Chinese tourists.

"Mainland Chinese are into discovery; China is just beginning to open up to the rest of the world, and they really want to see what's out there," says Mike Lentz, senior vice president of development at Adelson's Las Vegas-based company, Las Vegas Sands Corporation, which specializes in "MICE-driven, integrated" resorts that combine gaming and nongaming attractions, including meeting, incentive, conference, and exhibition (MICE) facilities; retail malls; dining; and entertainment space. "With that in mind, we decided a themed resort was the best way to go. We thought about doing something themed around Great Britain. We also looked at a Spanish theme and themes inspired by other places in Asia, like India and Thailand. The clear standout, however, was always Paris."

Adelson's Francophilic resort, the Parisian Macao, is currently under construction in Macao (also spelled Macau), a peninsula that is one of two "special administrative regions" operating within but largely independent of mainland China (the other is Hong Kong). Because China is by far the world's most populous country, and because Macao is the only place where Chinese can legally gamble, Macao is ground zero for gaming-industry growth.



"When we opened in Macao in 2004, the market had a gross gaming revenue that was less than that of the Las Vegas Strip—about \$6 billion per year; it's now doing over \$45 billion a year," says Lentz, who joined Las Vegas Sands in 2011 after a 20-year career with the Walt Disney Co., where he oversaw the conception and design of Disney's forthcoming Chinese theme park, Shanghai Disney Resort. "[Macao is] seven times the size of the Strip, and it grows by the equivalent of Las Vegas every year. The numbers are absolutely staggering."

Staggering, but not surprising. "We know enough about Chinese culture to know there is a predisposition to play," Lentz says. "Chinese have a belief in numerology, a belief in luck, and a belief in fate. All those, combined, translate into a strong affinity for gaming."



Adelson recognized China's potential long before work commenced on the Parisian Macao in February 2013. In fact, he first visited Macao in 2001. A Portuguese colony until 1999, when Portugal returned it to China, Macao at the time was searching for ways to diversify its economy, which until then had depended mostly on manufacturing. Tourism was an attractive option, so the local government invited Adelson to visit, hoping he would ultimately bring a Las Vegas-style resort to the peninsula.

There was just one problem: The area in which Adelson was invited to build, called Cotai, was nothing but swampland. "It was an estuary—water between two little mountain islands," Lentz says. "There was a parkway above water that connected the two mountains, Coloane and Taipa [hence the name 'Cotai'], but everything else was essentially below water."

Still, Adelson was inspired. "He envisioned numerous properties with thousands of hotel rooms and multiple casinos, each with its own individual identity," Lentz says, explaining that Macao subsequently reclaimed two square miles of land from the sea and parceled it among six casino operators: Las Vegas Sands, MGM Resorts International, Wynn Resorts, Galaxy Entertainment Group Limited, SJM Holdings Limited, and Melco Crown Entertainment Limited. "Basically, [Adelson] wanted to export the Las Vegas Strip to Cotai."



Las Vegas Sands opened its first Macao hotel, the 289-room Sands Macao, in 2004, followed by its first Cotai resort, the 2,900-room Venetian Macao, in 2007. That was succeeded by two more Cotai resorts—the 360-room Four Seasons Macao, opened in 2008, and the 6,000-room Sands Cotai Central, whose first and second of three phases wrapped in 2012 and 2013, respectively—and, along with the Venetian, they form the core of Adelson's "Cotai Strip." In total, Adelson has already invested more than \$8 billion in development in Macao and has another \$3.5 billion in construction under way.

Currently, the Venetian is Macao's most popular resort, drawing twice as many visitors as the peninsula's other properties. When it's complete in late 2015, though, the Parisian Macao is expected to easily rival the Venetian's numbers. "We are convinced it will be, hands-down, one of the most popular integrated resorts in Cotai," Lentz says. "We just know it. People will be compelled to visit."

When they do, they'll truly feel like they're in Paris, Lentz says. The resort will have more than 3,000 guest rooms; a casino; meeting and conference space; a 300,000-square-foot retail mall resembling Paris's Avenue des Champs-Élysées, with 130 boutiques and more than 10 restaurants; a rooftop terrace and pool resembling the gardens of Versailles; and a half-size replica of the Eiffel Tower. "The Parisian will have a level of authenticity that will make it a must-see destination," Lentz says.

Of course, amalgamating Versailles with Vegas isn't easy, especially on a tight timeline. Normally, a project of such scale would take five years to build, but the Parisian will be finished in less than three.

And, aside from its schedule, the project has faced other big challenges, including with land and labor. "Building a hotel tower on swampland requires placing large concrete piles that go down into the bedrock," Lentz says. "On this particular project, we had more than 170 piles, ranging from two to three meters in diameter, excavated 80 meters deep in large steel casings. Each individual pile costs, on average, \$500,000. The weather was an added challenge, especially during the rainy season, when it can be difficult to stabilize your excavations."

In terms of labor, the problem hasn't been stability but supply. "Macao right now is one of the hottest construction markets in the world," Lentz says. "Between 50,000 and 60,000 construction workers are needed to build resorts currently under way in Cotai, and that's to say nothing of infrastructure projects, residential projects, and commercial projects that also need people. There are only about 35,000 construction workers in Macao, so we've had to import labor."

Although the challenges are great, so are the rewards. "Macao is a \$45 billion market that's growing by double digits every year," Lentz says. "It's the world's greatest gaming market, and there may never be anything else like it."

ARCHITECTURE LEISURE & HOSPITALITY

[+Share This Story](#) | [f](#) [t](#) [e](#) [g+](#) [0](#)

CONGRATULATIONS TO MICHAEL LENTZ

Gensler congratulates Michael Lentz, our phenomenal client, Senior Vice President of Development of Las Vegas Sands Corp. on all of his tremendous leadership and being recognized by the *American Builders Quarterly*.

Michael's unwavering commitment to design excellence has led to many successful global collaborations between Las Vegas Sands Corp. and Gensler that are redefining integrated resorts and global cities. We have partnered with Michael for nearly two decades and are excited for what's next. Congratulations on your achievements, Michael.

Genslerwww.gensler.com