Las Vegas Weekend

Las Vegas, Nevada, is always exciting, even in the toughest of economic times. It’s a place with many descriptive nicknames, such as “Sin City,” “Lost Wages,” and “Glitter Gulch.” Some ads say, “What Happens in Vegas, Stays in Vegas,” but I am going to break that taboo and relate a few memories from my visit to “The Entertainment Capital of the World” last weekend.

For my wife Linda and me, it was fun and exciting. We packed a lot into 36 hours, but the most significant impressions I have in mind right now are the signs that business was not merely good, but great! The streets were crowded with taxis, the show we saw had only a few empty seats, and almost every space around the blackjack tables was occupied last Saturday night.

We stayed at the Venetian Resort-Hotel-Casino, located on the Las Vegas Strip on the site of the old, memorable Sand Hotel, where the “Rat Pack”—Frank Sinatra, Dean Martin, Sammy Davis Jr., and Joey Bishop—used to hang out.

Interestingly and unexpectedly—for us—the hotel lobby was decorated for Chinese New Year. It turns out that Las Vegas is now attracting a significant number of visitors from China. We, in Hawaii, have our work cut out for us, if we expect to tap into this growing source of tourists.

The Venetian has 4,049 suites and a 120,000-square-foot casino. It is owned and operated by the Las Vegas Sands Corp. (NYSE:LVS). Combined with the adjacent Sands Expo and Convention Center and The Palazzo Resort-Hotel-Casino, also owned by LVS, it is part of one of the world’s largest five-star hotel and resort complexes, with over 8,000 hotel rooms and suites.

The successful operation is a tribute to the energy, talent and drive of the Sands’ Chairman and Chief Executive Officer, Sheldon Adelson. He was born in the rough-and-tumble Dorchester section of Boston on August 1, 1933, 76 years ago, and got his start in business selling newspapers on street corners. (I am very familiar with the area, having done some of my medical training at nearby, also rough-and-tumble, Boston City Hospital.)

Much later in life, while traveling in Italy, Adelson was inspired to make his next Las Vegas development in the image of Venice. As a result, the Venetian Hotel-Resort-Casino features a replica of the Campanile di San Marco (the landmark bell tower on St. Mark’s Square), piazzas, canals, and even singing gondoliers. There were people everywhere, and the wait-time for a ride in a gondola was 30 minutes. It is an amazing place!

Yet, we did not feel we were lost in a crowd. The service everywhere at the Venetian was excellent—friendly and efficient. A lady at the Front Desk named Olivia was most charming and persistent in tracking down a FedEx box full of flowers that was lost somewhere on the sprawling property. A young man named Jason, who was raised on the Big Island of Hawaii, was very efficient with our luggage, as we rushed to catch the last flight back to Denver.

Some of the credit for the smooth operations we encountered has to go to veteran hotelier Mike Leven, President and Chief Operating Officer of the Las Vegas Sands Corp. Mike started in the hotel business in 1961, taking reservations for $14 at the Roosevelt Hotel in New York City. He worked his way up the ranks to President of Holiday Inn Worldwide and President of Days Inn of America. In 1995, he founded US Franchise Systems, which franchises Microtel Inns & Suites and Hawthorn Suites. He has been called a “marketing genius” and was recognized by AARP as an “Outstanding Employer.”

I first met Mike in the 1970s, after our company bought the Hobron Hotel out of bankruptcy and put the Days Inn sign over the front door. We have been great friends ever since.

Last year, at age 71, he was lured out of a wonderful job, as head of the Atlanta Aquarium, to be President and COO of LVS, which was then a deeply troubled company. With mega-projects then underway in Macau and Singapore demanding cash, 13,000 new competitors’ rooms opening in Las Vegas, and gaming revenues falling sharply everywhere, the stock value of the company he was about to join had dropped to $1.38 a share, down 98 percent from its high. Some asked openly if Mike had lost his mind.

Linda and I were honored that he took time to briefly visit with us in his office last Saturday afternoon and discuss how the company was turning around.

Mike has obviously applied many of the lessons he’s learned during his nearly half a century in the hospitality industry. He also said that he has been helped by the fourth quarter 2009 increase in Las Vegas visitor arrivals. Visitor volume was up 2.9 percent, and gaming revenue on the Las Vegas Strip increased by 6.9 percent, in November 2009, as compared to the same month the previous year.

LVS stock is currently selling for $16 a share—more than 11 times higher than when he took over! With 660 million shares outstanding, that translates into a nearly $9 billion jump in market capital value over the past year!
Mike's responsibilities include LVS' expansion in Asia—the Sands Macao (opened 2004), The Venetian Macao (opened 2007), and the exciting $5.5 billion Marina Bay Sands (scheduled to open in Singapore in phases this year).

The latter project's website glowingly describes it as follows: “Located along the Marina Bay waterfront, Marina Bay Sands features three cascading hotel towers topped by an extraordinary sky park, ‘floating’ crystal pavilions, a lotus-inspired Museum, retail stores featuring cutting-edge labels and international luxury brands, trendy Celebrity Chef restaurants, endless entertainment at the theaters, the hottest night clubs and a Las Vegas-style casino. Business visitors will also enjoy the extensive Meetings, Incentives, Conventions and Exhibitions (MICE) facilities featuring state-of-the-art technology, highly flexible exhibition halls, and a convention centre that can host over 45,000 delegates. Marina Bay Sands seamlessly combines business and leisure into a singular destination unlike any other.”

When I asked how an American company could secure this historic site in a prime location in Singapore, Mike proudly showed us the outstanding presentation that convinced the Singapore government to award LVS one of just two gaming licenses in the country. It was a complete package with engineering, architectural, and market studies that cost several million dollars to produce, but left no doubt about the firm’s intentions, capabilities, and expertise.

So, LVS, a company with a Chairman born five months before me and a President who recently celebrated his 72nd birthday, appears to be well on its way to recovery, growth, and prosperity.

Guys with grey hair can still rock!

And now, you are probably wondering why we were in Las Vegas with a box of flowers. Although “what happens in Vegas, stays in Vegas,” I can say we attended the wedding of a key member of our ‘ohana, Max Sword, and his radiant bride, Mona Wood.

The beautiful ceremony was held in a chapel in the Venetian Hotel. A reception followed with lots of singing and dancing. By Venetian standards, it was a very small event, attended by approximately 30 family members and a few close friends, but it was wonderfully handled and a lot of fun. Linda and I were honored to be there and wish Max and Mona a long, happy, and healthy life together.