

Israeli Tycoons Dankner, Tshuva to Build Vegas Casino

Israeli billionaires Nochi Dankner and Yitzhak Tshuva agreed to develop a Las Vegas hotel and casino complex for between USD 6 billion and USD 8 billion.

Dankner's IDB Development Corp. and Tshuva's Elad Group will have equal shares in the venture, which will build the complex on a 34.5-acre site now occupied by the New Frontier Hotel in Las Vegas, IDB said today in a statement. The Plaza project will include a casino, a 3,500-room hotel, apartments and shops.

The agreement is part of IDB's international expansion strategy, the Tel Aviv-based company, whose holdings include insurance, retail and industrial companies mainly in Israel, said in the statement. Elad is a real-estate development company that is converting New York's Plaza Hotel into condominiums.

„IDB has teamed up with a very professional real-estate company,“ said Yuval Zehira, an analyst at Tel Aviv-based Israel Brokerage & Investments Ltd. Still, „it increases the company's risk profile, since it is a very large and lengthy project.“

Shares of IDB fell 1.80 shekels, or 1.1 percent, to close at 157.20 shekels in Tel Aviv.

The site is the „last available prime parcel“ on the Las Vegas Strip, the city's main casino corridor, Elad said May 16, when it announced the purchase of the property for USD 1.2 billion. Companies have been buying older properties on the strip and replacing them with more elaborate resorts, including Wynn Resorts Ltd.'s USD 2.7 billion Wynn Las Vegas.

Casinos in Las Vegas reported a record USD 6.69 billion in gambling revenue in 2006, 11 percent more than a year earlier, according to the Nevada Gaming Control Board.

Hotel Demolition

Elad expects the project to open for business in 2011, the company said last month. Demolition of the New Frontier is scheduled for early 2008 and construction may last three years.

IDB is already involved in several real-estate projects in Las Vegas. The company's Property & Building Corp. unit started building a USD 400 million commercial center there in December, and is also working on about 1,300 housing units and other commercial space. Half of IDB's investment in the casino will be made through Property & Building Corp.

Shares of Property & Building Corp. rose 18.70 shekels, or 2.8 percent, to close at 699 shekels.