

Las Vegas Citycenter budget increases

The budget for Las Vegas' most expensive construction project grew a little larger. MGM Mirage said building costs for the 30 hectare CityCenter development on the Strip had increased USD 400 million to USD 7.8 billion.

The project includes a 4,000-room hotel-casino, four high-rise residential and condominium-hotels, and an entertainment, dining and retail district.

MGM Mirage Chairman Terry Lanni said the complexity of CityCenter, which required more steel and concrete than has been previously budgeted, was the reason for cost increase. „We're not going to sacrifice quality,“ Lanni said. „This is a major investment that will transform the industry. We have one chance to make a good first impression and we want to do it right.“

During a conference call with analysts and investors, MGM Mirage executives said CityCenter, which is expected to open in 2009, has contracted more than USD 1.5 billion in residential sales. CityCenter has 2,700 condominium and condominium-hotel units.

MGM Mirage announced it would open a sales center for CityCenter in Dubai by June. Dubai World, the investment arm of the Persian Gulf state, spent USD 2.7 billion to acquire 50 percent of CityCenter in August. It also said the budget for the soon-to-open 600-room MGM Grand Macau increased to USD 1.25 billion from USD 1.1 billion.