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Strip view Condo-hotel complex set for Flamingo, Koval

By Liz Benston

A Chicago-area housing developer is demolishing an aging Econo Lodge motel on Flamingo Road and expects to break ground next year on a luxury “condo hotel” complex — further redeveloping a once-sleepy area behind the Strip into a bustling, upscale commercial district.

The 255-unit complex at 211 East Flamingo Road, called The Platinum, will face Koval Lane and the back of the Bally’s resort on the Strip.

Developer Michael Peterson, Owner of Diversified Real Estate Concepts Inc. of Chicago, bought the 1.64 acre parcel last month for \$3.3 million and anticipates spending about \$85 million to build a luxury tower with fully furnished rooms and features such as swimming pools, spa, fitness center, 3 bars, 2 restaurants and convention center. The complex will not offer a casino or gaming.

Peterson has been eyeing the Koval Lane corridor for years and failed in a bid to buy the bankrupt Maxim Hotel across the street that has since reopened as the Westin Casuarina Hotel & Casino.

It is only one of a handful of condo-hotel concepts in Las Vegas. The other is under development by Florida condo developer Turnberry Associates and would be built behind the MGM Grand resort in partnership with MGM MIRAGE.

The condo-hotel would offer one- and two-bedroom units from 900 to 2,200 square feet. Prices would range from about \$300,000 to about \$1 million. It is expected to break ground in August for a scheduled debut in fall 2006.

Condo-hotels are complexes where residents own their units but may choose to enter a marketing program to rent their room by the night to tourists. Rooms could average \$170 a night, Peterson said.

The setup is growing in popularity because owners can use the unit any time they want but can also earn rental income, he said.

“If the economy changes, you can still rent them,” he said.

The Platinum, approved by county commissioners Oct. 22, was scaled down from an original plan for 344 units after protests from homeowners in nearby Park Towers, a condo complex across Flamingo Road at the entrance to Howard Hughes Drive. Park Towers residents complained the project would add too much traffic to the area and ruin their southern views of the Strip.

Peterson has developed several housing complexes in Chicago and Wisconsin and also owns several Houlihan’s franchise restaurants. The Platinum would mark his first project in Las Vegas.

Peterson said he chose Las Vegas after scouting several other resort condominium markets, such as south Florida, for more than a year. He has eyed various locations in Las Vegas for the past several years.

“This area has probably rebounded the best of any area I can think of since 911. By comparison, a city such as Boca Raton, Florida — driven by a significant amount of tourism from New York — hasn’t recovered nearly as well. The Las Vegas region is also served by the strong Southern California market,” he added.

The Koval Lane corridor is especially appealing because of its proximity to the Strip as well as restaurant row along Flamingo Road near Paradise Road, he said.

“I like the walking-district feature of this area plus the views,” he added. “This is an up-and-coming area.”

In addition to the Westin, which opened last month, the Tuscany Casino just east of the Econo Lodge opened in January. The property’s hotel replaced run-down apartment buildings in 2002.



Indoor / Outdoor Pool Terrace



The Platinum, a 255-unit condo-hotel complex at Flamingo Road and Koval Lane, is scheduled to open in fall 2006.

“Peterson, who does not have any investment partners in his projects, said he anticipates financing The Platinum through LaSalle Bank. The Chicago bank has financed other housing projects for Diversified over the past several years,” he said.

He also is negotiating with publicly traded hotel chains to select a company to manage the units.