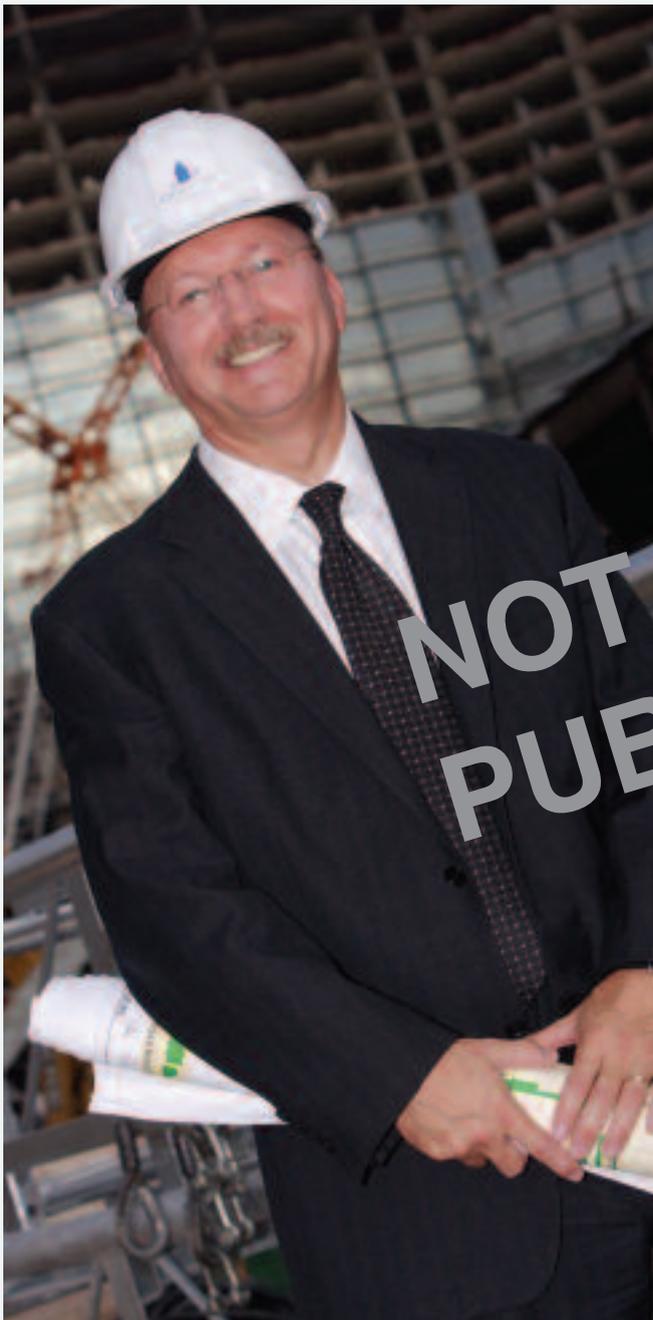




## On a roll!

*With ongoing capital improvements to existing properties and the CityCenter project underway, MGM Mirage has its hands full*



**M**GM Mirage, one of the world's leading hotel and gaming companies, owns and operates 17 properties located in Nevada, Mississippi and Michigan and has investments in three other properties in Nevada, New Jersey and Illinois. The company owns such world-known brands of hotel casinos as **Circus Circus, Treasure Island, Beau Rivage, Bellagio, Excalibur, Mirage** and **Mandalay Bay**.

New developments are underway, including **CityCenter**, a \$7.4-billion-dollar, mixed-use urban development in Las Vegas; a new **MGM Grand** hotel and casino complex in Detroit; and the company has a 50-percent interest in **MGM Grand Macau**, a hotel-casino resort under construction in Macau S.A.R.

**CityCenter**, a design collaboration between MGM Mirage and eight design architects that will open in late 2009, will include a 4,000-room hotel/casino, two 400-room non-gaming hotels, a condo/hotel and residential units and a retail district with 500,000 square feet of retail, dining and entertainment. It will be designed as a vertical city on 76 acres on the Las Vegas Strip.

The following is a transcript of a conversation between **Bill Smith**, president of **MGM Mirage Design Group**, and **Chelsie Butler**, editor of *Hospitality Construction*.

**Bill Smith, president,  
MGM Mirage Design Group.**



**CityCenter is a \$7.4-billion, mixed-use, vertical city in Las Vegas that will feature multiple hotel venues, a casino, a convention center and a retail and restaurant district.**

**Hospitality: How is your construction department organized? What are its primary responsibilities?**

**Smith:** I work for the MGM Mirage Design Group — a subsidiary of MGM Mirage — and our job is to ensure that we deliver projects on time and on budget. We have several departments, including design, which is made up of architects and interior designers, and its primary role is to assemble the design teams and develop a list of architects that we may consider for a project before we send out RFPs.

Another goal is to ensure that the design itself that is being proposed is consistent with operational input from our teams. We interface with operations during the design phase to make sure we have picked up all of the important operational points and to make sure we have a space that works functionally and efficiently.

Then we have the construction department, which has the responsibility of taking the drawings as they are completed to market, monitoring the budget and sched-

ule and making sure the workmanship being done is at the standard we expect it to be. The purchasing team is responsible for purchasing FF&E — drywall, wall coverings, furniture, lights, accessories, etc., which are all specified by the interior designer.

We also have a team in charge of all permits on CityCenter. Recently on the CityCenter project, where I have about 170 people under my responsibility, we had 42 permits we needed to secure from Clark County. We really have to know what these are and how fast the county can issue permits to us. We need to make sure they are sensitive to what we need in terms of timing. This would generally fall under our construction department, but we added this team to this project because of its size.

Cost controls was another team added to CityCenter. They are responsible for collecting all of the cost information for design and construction and integrating it with the OSE budget, finance insurance costs and taxes. Also added was a scheduling team. There are five

people who monitor this, and when I say schedule, I mean the entire project schedule, which integrates all of the other department schedules. It is made up of about 10,000 activities, and it is updated weekly so we can determine if there is an impact to the overall schedule if any changes occur.

In charge of our overall capital improvements for all projects in the entire company is **Tony Mancini**, senior vice president of capital improvements. We have about anywhere between 90 to 100 projects that we are working on at once. And this includes anything on a property that needs to be refurbished. We renovate the rooms of each property every three to five years, which equals about 3,000 rooms per year. We run in the range of \$300-\$400 million a year in capital improvements with his team.

**What is a typical week like for you in your position?**

A typical day for me might involve people coming to my office every morning, each with issues

## Bill Smith BioFile

As president of **MGM Mirage's** Design Group, **Bill Smith** is responsible for the management of all design and construction of **CityCenter**. These departments include: architecture, interior design, construction, purchasing and contract administration.

In addition to the CityCenter project, he and his team manage capital improvement projects at **Bellagio, Mirage, New York-New York, Treasure Island, Beau Rivage, Circus Circus** and **Gold Strike Tunica**. On a yearly basis, the Design Group manages approximately 95 different projects.

Smith joined the company in 1995 as vice president responsible for the design and construction of **Mirage Atlantic City** and the \$330-million **Atlantic City/Brigantine Connector**. He was also responsible for the construction of **Beau Rivage Hotel/Casino**, which opened in

March 1999, and the Spa Tower addition in 2005.

Prior to 1995 Smith served as a partner with **Rouse & Associates** and was responsible for the design and construction of **Liberty Place**, an \$800-million mixed-use project in downtown Philadelphia. Smith is a graduate of **Temple University** in Philadelphia with a Bachelor of Science degree in architecture. He is a registered architect and member of the **American Institute of Architects**



## Personal Points

### WHAT IS PLAYING IN YOUR CAR STEREO?

Best of Jazz

### WHAT IS YOUR FAVORITE MOVIE?

Somewhere in Time, 1980

### WHAT IS A BOOK THAT HAS INSPIRED YOU?

*Good to Great: Why Some Companies Make the Leap and Others Don't*, by Jim Collins

### WHERE IS YOUR FAVORITE VACATION VENUE?

Italy and Switzerland

that need sorting out. We also discuss budgets and track where we are in the permitting process daily. We had 68 meetings here last week for the CityCenter project, and last night we met about the interior design schedule for the hotel/casino to make sure each

date falls in line with the overall completion dates. I met all day yesterday with the contractor to make sure the approvals process is running efficiently. Tomorrow we are meeting about all of the exterior skin of all of the podiums and will look at pricing to make sure mate-

rials are all within the budget. We need to have real-time communication with everyone involved to be effective.

### Since it is what your main focus is on, can you tell us about the CityCenter project?

In past projects like the Bellagio and Mirage, we took 40 to 50 acres and typically placed a three-wing tower, which is most the efficient layout, with elevators in the middle and the ground floor encompassing the entire low rise of the project. In the rear is the back of house for services and delivery. This plan is great if you have that much space, but that is not the case with CityCenter. Instead we are building vertically.

The floor area ratio — what the ratio is of the land to the entire building — for a typical city would be seven to eight; and at CityCenter we are at six. Each separate podium is built vertically with multiple levels.

### Are the buildings being built to pursue the LEED certification?

Yes, and when we achieve it, it will be the largest LEED-certified project ever. We looked at certain types of glass that provide different levels of shade into the room and save energy. We are also recapturing waste water to use for landscaping. The majority of the spaces will be non-smoking. We are making sure we are using materials with low emission levels. There will be a central plant onsite where we will produce hot and cold water for the entire project.

### What are some of the major design and construction issues you deal with regularly?

Early on, you have to be sure that the design concept you are putting together is right. If you take an idea and move forward — and it is not right — operationally there could be shortfalls. This requires collaboration with our team, operations and the designers. The concept needs to be implemented



**After Hurricane Katrina, the Beau Rivage in Biloxi, Miss., still retained its structure, although the damage removed much of the casino's footprint. The renovated casino opened exactly one year after the hurricane hit.**

within the final documents, and drawings have to reflect the concept. So we form a team whose full-time responsibility is to go into the field and physically look at the work as it being installed to make sure it matches the documents.

Future challenges having to do with CityCenter will be delivering all parts of the project on the same date. When we developed the master plan in 2004 all the buildings sat inside the footprint. We have approximately 70 retail tenants that have to build out their spaces. We continue to meet with Clark County officials to make sure they have ample staff to come and do on-site inspections.

into the buildings six months before we open. We will finish the areas they need to access first and make sure such things as the fire alarms are working in those areas. Opening date means that there will be meat in the freezers and wines in the cooler.

**How do you manage to stay on schedule and budget?**

We prepare the budget with our finance team and track cost against expenditures, and they provide us with cost updates. We also have a web-based cost management system in place so any one of us can access and evaluate the budget. Updating budgets as plans

Another challenge will be bringing in the 12,000 employees that need to be hired and trained and integrated

develop would be impossible to do using paper copies. We also require regular updates from the entire team.

As for the project schedule, we link ours with the general contractor. The design team works in AutoCad, an industry standard. A format of how all of these documents have to look was generated at the beginning of the projects and handed out to everyone. On August 1, 2009, we will turn over our first building to the owner.

**How do you select the various vendors for your properties?**

We look at the quality of the company — not specifically pricing. What is their experience? Have they done something similar to what we need now? And we ask to see examples of their work. If they pass this first test, we then determine if they have the capacity to do this within our timeframe.

**Do you generally use the same vendors for all of your projects?**

It depends. On CityCenter, we

**“Early on, you have to be sure that the design concept you are putting together is right. If you take an idea and move forward – and it is not right – operationally there could be shortfalls.”**

are using some we have worked with before, but most of them are new. Back in 2000, our company decided we would not award any construction contracts unless they had a diversity component.

**When building or renovating a new casino, what are the major permitting challenges?**

In Las Vegas, permitting is always something you have to schedule ahead of time. Clark County is very advanced in what they do. In New York City, because their workload is so intense, you can self certify with a pre-approval. As we begin to develop the project schedule, we have to be sure we are in sync with that particular approving agency. If a permit usually takes 10 to 12 weeks, we plan on the possibility of it taking 14 to 15.

Another key component of renovations is timing. For example, in early December – two weeks before Christmas – hotels are not as busy, so it would be an ideal time to shut down for a few weeks to renovate.

**What have been some of MGM Mirage’s biggest successes while you have been there?**

The reopening of the Beau Rivage. We are all aware of what happened with Katrina – we had 3,200 employees at the property. When we built it and opened in 1999, we designed the casino barge to withstand a Category 5 hurricane with a waterline surge of 20 feet. The surge that came through was about 24 feet. We had

4-ft.-high waves striking the casino, which removed much of the casino and its footprint. We were the only property that still had a structure – the barge, tower and concrete still there after the hurricane.

We made a corporate commitment that we would reopen Beau Rivage one year after the date of the hurricane. We had not figured out how, but we said we would, and we accomplished this goal. We

called the general contractor who built the original structure and assembled a whole team. By the time we assessed what we needed to do, a month had already passed. We had to work around whatever we were not able to get and figure out other solutions. All of the materials had to be trucked in. Fuel was delivered to the site to keep the lights on, and cleaning the debris took another month. It was a very compressed and complicated work process, but the Beau Rivage reopened when we said it would.

**What are some of the construction plans for the future?**

We have a 70-acre site at the other end of the strip, which we are planning in a joint venture. ■



*CityCenter’s Veer Towers on the left feature condominium residences; the retail and entertainment district, which houses clubs, restaurants, retailers and galleries, is in the middle under a crystalline canopy; and the Harmon Hotel, Spa & Residences on the right features a reflective exterior.*