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THE GOLD STANDARD

Tilman Fertitta's consummate marketing savvy will be in full force during the transformation process of Atlantic City's Golden Nugget.

By Ray Schwelbert



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The Gold Standard

Tilman Fertitta's consummate marketing savvy will be in full force during the transformation process of Atlantic City's Golden Nugget. *By Ray Schweibert*

SOME OF THE QUALITIES THAT allowed Tilman Fertitta to reach the apex of the business world, and transform Landry's Restaurants Inc. into a conglomerate worth nearly \$4 billion, he seems to carry around like a set of car keys.

Ideas emanate from him when he sees the need to maximize efficiency, as evidenced during the photo shoot for this article when the backdrop moved to the newest addition — Vic & Anthony's steakhouse — of Fertitta's newest business acquisition — Atlantic City's Golden Nugget. The 54-year-old Texan appeared to lash out in an effort to restore order to a situation that had become a bit chaotic. The results he sought were immediate, as was Fertitta's disclosure that his actions were in jest, not anger.

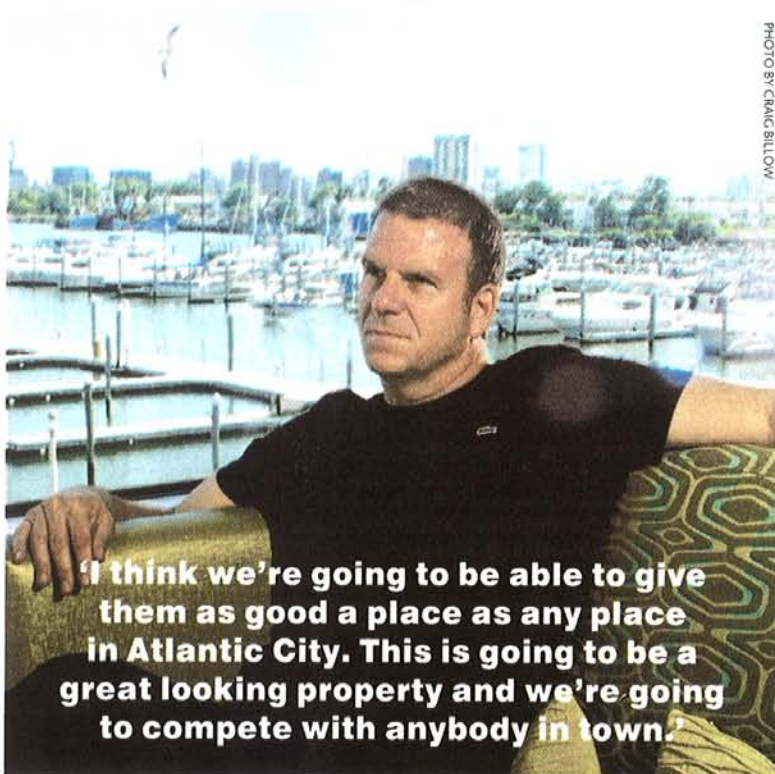
"Believe me," said one of the executives Fertitta kept in tow. "You'll know when he's not kidding."

The Galveston-born Fertitta became principal owner and CEO of the Houston-based Landry's in 1986, and he was instrumental in turning what began as two restaurants into more than 300 properties in 36 states. In 2005 the company acquired both Nevada Golden Nuggets (Laughlin and Las Vegas), and in May Fertitta purchased the former Trump Marina and re-branded it Golden Nugget Atlantic City.

As has become his business trademark, Fertitta is incredibly adept at buying struggling properties at bargain prices and turning them into those that thrive. Currently the only other property he owns in Atlantic City (excluding his major shares in the seafood chain McCormick & Schmick's) is the Rainforest Café on the Boardwalk, which Landry's bought as part of a chain in 2000 for \$60 million and converted into a franchise now worth an estimated \$400 million.

Fertitta's \$38 million purchase price of Trump Marina is nearly considered a steal (it almost sold for 10 times that as recently as three years ago, in a business venture that would have included musician Jimmy Buffett), but if you think Fertitta is in any way remorseful about pinching a 27-story, 728-room casino hotel on 14 acres of waterfront property from probably the most famous name in A.C.'s gaming history, forget it.

"We bought it for \$38 million but it was losing \$15 million a year, so if I said to any of these guys 'I'll give you this casino [free] even though it's losing \$15 million a year', do you think they'd take it?" Fertitta asks *Atlantic City*



"I think we're going to be able to give them as good a place as any place in Atlantic City. This is going to be a great looking property and we're going to compete with anybody in town."

Weekly. "Everything is relative. When you're losing your ass, it's not worth very much."

Upgrades to the building's interior are just three months of Landry's ownership are stunning, particularly the addition of the Chart House seafood restaurant (above The Deck at Farley State Marina, at what had been the Harborview), and Vic & Anthony's, which just debuted Aug. 11. Vic & Anthony's is on the gaming level at what had been DJ's Steakhouse, and is named after Fertitta's relatives (including his father, Vic).

"There are actually two Vic and Anthonys," says Fertitta. "The first two were the nephews of the Maceo brothers [Sam and Rosario], who used to run the Balinese Room, which was the big gaming room in Galveston in the '40s and '50s. Frank Sinatra, Bob Hope and all the big names used to play there. Galveston used to be, before Vegas, the big place where everybody used to come to gamble, and then gambling was shut down there the year I was born, 1957."

For those wondering if Fertitta's main motive is to make a quick profit by flipping a piece of prime real estate, he is quick to assert otherwise. He declined to mention how much

additional capital he plans to invest in the property, but published reports put it in the range of \$150 million.

"I'm not a seller, OK? I'm a buyer, not a seller," he says, with an unmistakable Texas inflection to his voice. "I'm going to die owning this property. I love this property and we don't plan to cut corners when it comes to revitalizing it. In fact, we'd like to build another tower eventually."

"We operate very entrepreneurially," he adds. "We understand customer service the old way, and that's the business I'm in — the customer service business and the hospitality business. I think we're going to be able to give them as good a place as any place in Atlantic City. This is going to be a great looking property and we're going to compete with anybody in town."

It is not merely upgrades to existing gaming space or dining establishments that Fertitta has in mind for Golden Nugget either. New amenities that Trump Marina never had will include a poker room, keno and racing rooms, and recently completed high-roller suites that, in some cases, involved turning two smaller suites into one immense one.

PHOTO BY CRAIG BILLOW

"The suites are as nice as any you'll see in town," Fertitta asserts. "And these are standard suites. Anybody who checks into a suite is going to get that same quality."

Well known for his philanthropy (he's the Chairman of the Board of Directors for Houston Children's Charities), Fertitta says he intends to uphold his humanitarian reputation now that he's a fixture in Atlantic City.

"You know, we love Atlantic City and we're going to be part of the community not just from a business standpoint, but from a charitable standpoint as well."

The transformation project — including a ground-to-rooftop makeover of the building's exterior, addition of an upscale Italian trattoria called Grotto and a \$4 million spa on the mezzanine level, Asian eateries Red Sushi and Lillie's Asian Cuisine and Noodle Bar, and social settings Rush Lounge, the After Hours Bar and the H2O Pool & Lounge — is slated to be completed by the end of the year, according to Atlantic City Golden Nugget vice president of advertising and marketing Standford Le.

"By the end of December it will be all done," says Le. "Everything's about to go under full construction in a couple of weeks. Right now we're still in peak season and don't want to disrupt that. Once Labor Day is over we'll be going at it full force. There's a line in a Russell Crowe movie [*Gladiator*], 'Unleash Hell!' — that's what's going to happen here." ■

Full Speed into Fall

Part of the Landry's conglomerate is the Bubba Gump Shrimp Company (inspired by the 1994 film *Forrest Gump*), which includes 32 restaurants worldwide. On Saturday, Sept. 3, at The Deck at Golden Nugget, the inaugural "Bubba Gump Shrimp Fest" will take place from noon-8pm. It will feature a company-inspired menu, specialty drinks, retail tents and live entertainment. Two weeks later, the two-day Craft Beer Festival will take place Sept. 17-18, starting with the "All American Craft Beer Tasting" on Saturday from 7-10pm in Golden Nugget's Grand Ballroom. Sponsored by Samuel Adams, guests can sample over 200 craft beers and enjoy chef-inspired cuisine. There will be live music and many of America's award-winning brew masters will be on hand to field questions. On Sunday, "Octoberfest on the Deck" will happen from noon-6pm and feature traditional Oktoberfest fare and craft beer tastings. Entry to these festivals is free of charge.

— Ray Schweibert