Casino Projects: Gran Scala

Las Vegas was the venue for the launch of one of Europe's most ambitious casino projects - Gran Scala. Sited in the Spanish region of Aragon, it's a 32 casino venture

Standing in the EyeCandy Lounge Bar of the Mandalay Bay, watching the presentation of a hitherto unknown group's plans to launch the biggest ever casino and recreational project in Europe, it's hard not to draw similarities between Vegas and the proposed site in Aragon, Spain. The scale of the ambition, the desert location and the backing of an ambitious and hungry regional government is all history book stuff. Though quite whether Bugsy would have chosen to pitch his ideas in a noisy bar, with multiple translations and an overlong video presentation is pushing the analogy a little too far.

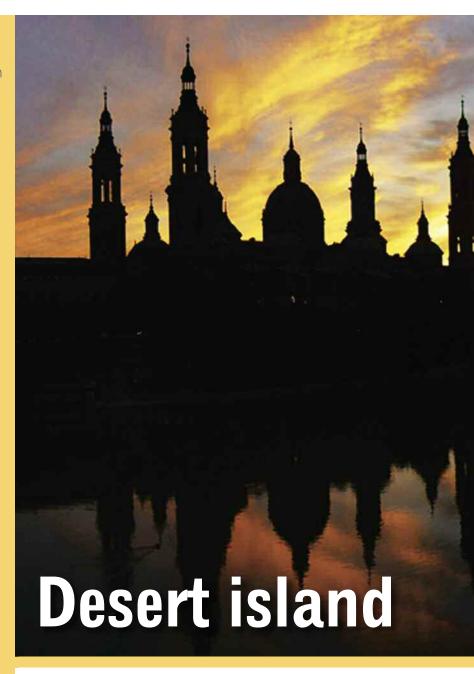
Tentatively called 'Gran Scala,' which means large-scale, the development has a 17-billion-euro price tag that will be footed by International Leisure Development, a London-based consortium of investors.

International Leisure Development (ILD) is a joint venture between several tourism sector companies. The company is split between 12 different shareholders, comprised of real estate firms, gaming companies (including Aristocrat and Hot Games), banking, finance and private and public investors. A PLC based in London, ILD's goal is to develop real estate, tourism and leisure infrastructure projects around the world, utilising an experienced team of professionals and investors. Each bring distinct expertise, knowledge and experience to the company providing a unique mix of skills.

ILD's current project is the Gran Scala 'integrated recreational' project in Spain. The company has stated that this is a working title, with a market research company set to unveil a definitive name in the near future. The project's goals, however, are clear. ILD is to build an integrated recreation city designed to attract all ages and all walks of life. History is the theme of the project, with an idea to bring young people, families, players and those interested purely in recreational activities together in one place.

The city will create motor activities, contributor activities and complementary ones. The motor activities include the creation of 32 international hotel-casino complexes, at least two theme parks (Spyland and Acquantica) of 60 hectares each, and a conference centre. The contributory activities include museums, opera, concerts, historic shows, golf and a racecourse. Most of these activites will be based around cultural topics, historical understanding, musical activities and learning through education. Complementary to this will be hotels, restaurants, cinemas, commercial areas, residential areas and what is surely an oxymoron – VIP camping. The entire project will cover over 2,000 hectares and will have a capacity of 35 million visitors per year.

The numbers are impressive, though the initial video screen shows only a blank piece of dusty earth in the middle of nowhere, or more exactly - the middle of the north east of Spain, in the autonomous community of Aragon. Following the maxim of 'location, location, location,' the thought of 35 million people both wishing and being capable of travelling to this site requires a leap of the imagination. However, Zaragosa, the capital city of Aragon, is soon to be put on the map this year when it plays host to the World



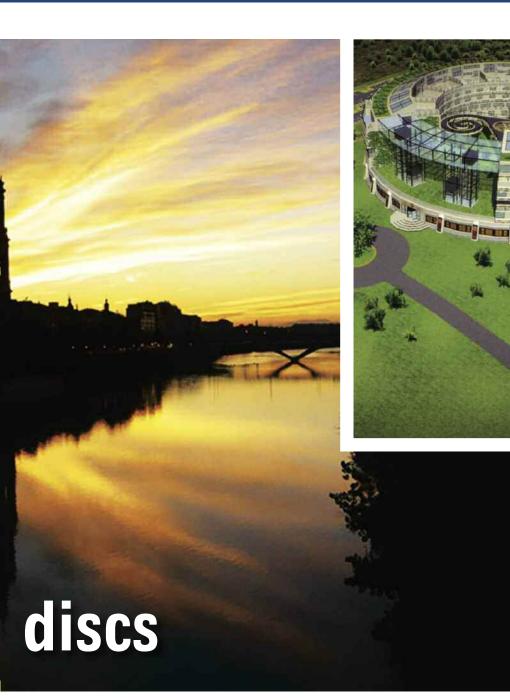
Expo 2008. The Expo's theme will be 'water and sustainable development,' which is apt considering the Gran Scala's desert plans and the fact that the site will be built over a huge reserve of ground water, which will be ecologically used to minimise impact on the environment. The Aragon government is seeking to reinforce its tourist credentials once the Expo hits town and is building new infrastructures to capitalise on the interested generated by the Expo 2008.

The video presentation drew concentric circles around the Aragon region, the site, which was the initial location for the Euro Disney resort before Paris sweetened the deal beyond compare. It was described as a strategic location with natural links to every Europe hot-spot (just as Aberdeen

is at the centre of Europe is you draw enough circles around it). The press statement confirms that Aragon's infrastructure is being refurbished on a non-stop basis due to the growing demands for transport and communications service throughout the territory. A rail-link between Barcelona and Madrid is to have an additional terminal-stop at the new city site, with road and airport links nearby. Though as yet unable to cope with 35 million visitors, the plans are sweeping in their ability to suggest that this swath of land will become the centre of a great gaming metropolis.

Central to Gran Scala is its chronological theme and you could be forgiven for confusing the supporting literature

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on the subject with a History 101 exam paper. The project has been overseen by the University of Provence's Paul Corbier, who has sub-divided the history of civilisation into 16 significant periods, each representing one of the themed areas within Gran Scala. Zoned using the face of a clock, Gran Scala will be themed around each of 16 historical periods within the evolution of man, with casinos and museums themed along the same lines. While this will cause few theming difficulties for architects and designers for the Pharaonic Egypt, Rome or The Greek World sites; the 'Man Before The Discovery Of Writing' casino, could present Paul Steelmann with a real challenge, not to mention Signs4U.

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known different civilisations, arising here or there, throughout history. Some of them marked the Western mind and have in our memories a privileged place, which has contributed to the forging of our identity." Paul Corbier.

Using Mr. Corbier as a touchstone and under the heading of the 'Time Roadmap,' Gran Scala will unify the following periods within its historical hub: Man before the discovery of writing, Pharaonic Egypt, The Middle East, The Greek World, Rome, West from 750 to 1,000, The Mediterranean Middle East until 800, The Western Middle Ages, The 15th Century in the Eastern Mediterranean, The Pre-Colombian Civilisations, The Renaissance, Birth of the modern states, The Century of Lights

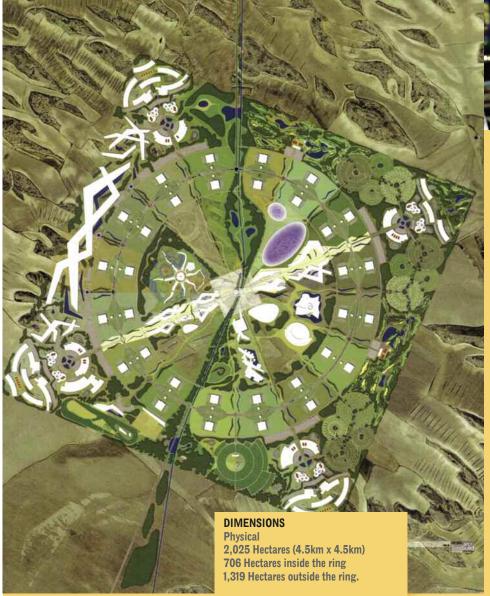
"From its birth, humanity has evolved and known different civilisations, arising here or there, throughout history. Some of them marked the Western mind and have in our memories a privileged place, which has contributed to the forging of our identity." Paul Corbier. University of Provence. to the capture of the Bastille in Paris, The 19th Century and beginning of the 20th, The Contemporary World and finally, The Future.

In each of these stages, two complexes comprised of a museum, a hotel and a casino are going to be developed around the topic of the period in which they are located, which will ultimately form a circle of 32 casinos. The inner ring will contain entertainment activites: theme parks, museums, shopping etc. grouped together in four main themes - music and shows, theme parks, history and shows, shopping and leisure. Beyond this an outer ring will consist of outdoor activities; golf, health and fitness, horseracing etc. A further ring will be comprised of roads and tram-routes, which serve four public parking areas and tram-stations. Within this transportation ring is a pedestrian zone, with each establishment to have its own private carpark facilities.

One of the very positive aspects of the Gran Scala project is its local government backing. During the video presentation, officials from the autonomous Aragon community gave their full support for the plan. The most important aspect is that the planned taxation regime of 10 per cent is a key driver for expansion and growth of the project, representing opportunities for both European and international developers. Besides the conceptual 'Time Roadmap,' ILD envisions the project



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Sébastien Tranchant

One casino developer already signed up to the Gran Scala project is France's Tranchant Groupe. Speaking to the company's Sebastian Tranchant

at the launch of Gran Scala in Las Vegas, he revealed that he had been interested in the proposition from the start.

"The project will create a distinct location to appeal to absolutely everyone, all walks of life," said Mr. Tranchant. "Right now, there's nothing like it. No model in Europe of this kind, no other opportunity that comes close. Aragon offers the perfect resort location, with existing logistics and infrastructure; with four major airports, road and rail networks and ideal weather - Las Vegas weather. There's even an underground network of water to supply the resort - it's perfect." Despite such ideal conditions, Mr. Tranchant is aware that there's a great deal of risk in planning such an enormous undertaking, especially when associating the name of Tranchant to such a high-risk venture.

"Risk is part of business," concedes Mr. Tranchant. "For me it's an opportunity to bring the scale of casino development we've seen in Vegas and Macau to Europe for the first time. The very attractive taxation rates are comparable to the US where operators have been successful in attracting players to a family-orientated destination, which is something we've failed to achieve in Europe. This is not a hi-roller location, this is for the majority to enjoy, with something for everyone. It's a unique project and one we are very excited about.'

to begin construction in 2008 as part of five phases of development, which will see the first phase open in 2010. The first phase will see the creation of 14 casinos, the next 26 casinos and the final phase the construction of 32 casinos within a massive leisure and recreation project.

The pitch to casino operators is a tempting one. One of the last greenfield casino development sites in Europe, with backing of the government and attractive rates of tax. It's either the greatest gaming proposition to hit Europe, or a white elephant. The scale is so vast, the ambition so great, that Gran Scala has to create its 'Vegas in Spain.' The proposal is to plan to ultimately build two casinos for each of the periods that comprise the ring, placed alternately inside and outside for balance. Each casino Group is allowed no more than two casinos within the entire development, while the designation of the theme to purchasers will be

DEMOGRAPHICS

Average objective of 25 million visitors per year Capacity for 35 million visitors per year.

INFRASTRUCTURE

More than 100km of highway in three lanes, access, service and tramway.

achieved by means of a competition in which the purchaser will apply for several themes in order of preference. In front of each casino will be a mini-museum that will serve to underline the casino's historical theme. The Egypt period, for example, will have a "cultural anteroom, that will become a kind of reference point to enable visitors to enrich their knowledge of the historical period featured in the casino." A bit like the Luxor, but with the added 'fun' of a museum.

In addition to the leisure activities, Gran Scala will also offer areas located beyond

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Tranchant. Tranchant Group.

the ring to the east housing hotel complexes and tourist accommodation facilities, which will include apartment and villas. These residential areas will be equipped with mini-shopping centres too. There will also be a nature zone and walking area, with walkways covered by shelters to protect visitors from the sun while partaking in activities, such as shopping. Certain buildings in the resort will channel the rays into solar chimneys, solar umbrellas and technological trees, Canadian/Provencal etc. to meet ecological targets.

Impressive, even spectacular in concept, the actual presentation at the Mandalay Bay was a little underwhelming in respect to the scale and importance of the project for the development of gaming in Europe. Considering the backdrop, it needed a few show-girls, a little Las Vegas magic and perhaps a tommy-gun or two. That's how Bugsy would have done it.