



The intimate pool area at the Artisan, one of Steven Siegel's favorite business ventures, features a plethora of cabanas and sun beds.



The lounge at Rumor features lots of leather and ultrasuede in a contemporary setting.

# Facing Challenges

## Las Vegas Businessman Has a “Just-Do-It” Approach

**IF YOU HEARD THAT** Steven Siegel grew up in a typical Beverly Hills Jewish family, the son of a factoring financier, you would look at his current success in Las Vegas—30 real estate properties, including several unique hotel and gaming concepts—and assume that it was all but handed to him. Or at least that, much like moguls Donald Trump and Sam Nazarian, he had every opportunity.

But if I told you that Siegel, 39, was the product of a shattered home, that he spent much of his teen years on the streets, and even in gangs, that he didn't even attend high school after ninth grade, you might have a different picture altogether.

Both are true, Siegel says, and they go some distance in explaining the success of arguably the most dynamic businessperson who's quickly amassing an empire of sorts in the shadows of the Strip's major corporations in Las Vegas today.

“I'm just doing what I feel is right for me,” he says with a balance of confidence and humility. “When I believe and want to do something that's right for me, I do it, whether anybody agrees with me or not.”

Few might have agreed with Siegel's vision when he first came to Vegas seeking extremely distressed properties—and clearing near \$4 million on his first turnaround—in the beginning of this decade. Many still might question it in today's depressed economy. But Siegel's backers, tenants and guests certainly think he's on to something.

Anyone who lives in Las Vegas has undoubtedly seen the many Siegel Suites Extended Stay buildings dotting the Valley (“Stay Here, Eat Free”), which offer all-inclusive furnished apartments without leases. In the last two years, he's moved into sexier territory, purchasing and revitalizing the Artisan hotel, downtown's Gold Spike and adjacent Travel Inn, and Mount Charleston Lodge, while remaking the St. Tropez into Rumor and Barcelona into Siegel Slots & Suites.

Most of these he got at fire-sale prices, some even with seller financing, but Siegel clearly sees them as more than flipping opportunities. In particular, Gold Spike and the Tandem/Mark Tracy-designed Rumor show the potential for sexy singles-oriented



Steven Siegel owns and operates four successful Las Vegas businesses.

boutique hotels with competitive room rates; the artsy Artisan arguably pioneered this concept here but was struggling before Siegel bought it.

“This is a place where I would go with my friends,” says Siegel of

Rumor, with its fuchsia crocodile-skin elevator walls, dripping white plaster chandeliers, and pet-friendly, no-kids policies. “Everything (in Vegas) is so big and grand, everything's vertical. It's old. No one's done anything here on a small scale with this kind of look and feel.”

With just a bit of a hoarse edge, Siegel talks fast, almost as fast as he thinks, is a fastidious but casual dresser and doesn't seem to stand on occasion.

Was becoming a hotelier an ambition?

“No,” he answers quickly. And again: “No. No.”

“I never really set out with a plan; I just come across stuff that seems interesting. I don't sit down and say, ‘One day I want to be in the hotel business.’ I never have done that. I see something that challenges me, and I do it.”

The prevailing rule of Siegel's businesses, from his first auto repair and children's toy manufacturer onward, has been “fixing,” and you don't need a psychology degree to understand why someone from a broken home would be driven toward that. But if having a lousy childhood was a foolproof recipe for ambition, Corey Feldman might just be president.

“Definitely wild,” is how Siegel describes his youth. After his mother and father split, Siegel's rebellious streak became, by his own admission, uncontrollable. He volunteers that he hasn't seen his father since he was 11. He left the house, he says, when he was “probably 12 or 13,” at which time Siegel began living with a variety



The Artisan's bar offers guests a cozy ambience.

of friends, eventually drifting down to West Los Angeles and Inglewood, Calif., and started “running with gang members.” He declines to name the gangs, but affirms he was arrested twice for “fighting” and “stuff like that.”

And how, after dropping out, did he change his life?

“I’ve always been pretty aggressive in whatever I do, he says. “And one day, I just woke up and said, ‘I’m going to channel energy into positive things. Be able to sleep better at night by doing it.’ So I started buying and selling cars, and taking off doing it.” He also held that classic rite of passage: a job at McDonald’s.

Fixing the used cars led him to the mechanics shop, which led to the body shop, and so on.

“I get interested in things, but once it’s brought to a point, I kind of lose interest,” Siegel admits. “I’m not a maintainer. I want to move on to the next challenge. I get bored real easy.”

What doesn’t seem to bore Siegel is helping others. Though Siegel ditched Hebrew school even before standard education, he nevertheless retains a strong sense of Jewish identity. Not only does he belong to Temple Beth Shalom and interact frequently with the Vegas Chabad, but he takes the mitzvah of tzedakah very much to heart—and without the self-congratulatory press release.

“Our first building we fixed here,” he recalls, “we had people saying, ‘You changed our quality of life; we couldn’t come out of our doors, there were drug dealers, prostitution, bugs in the building.’ I understand the mentality, coming from where I came. We took away the pay phone on the property, cut down the trees, worked closely with the police. Just because people couldn’t afford to live anywhere else doesn’t mean they should be afraid to come out their front door! We gave them some quality of life. So that’s what became the business model—we’re giving people affordable places to live in a safe, clean environment.”

Concerning a tale that Siegel once found a homeless family adjacent

to one of his properties and gave them a place to live and the father a job, Siegel says that it actually happened, and more than once.

“We have several people we’ve put in places and hired,” he says. “We do it to give people opportunities when no one else would. It’s more important to me, in helping someone, to be able to touch that person and know that I’m helping him directly. Instead of putting them in a shelter and saying, ‘Here’s a check,’ we can actually give that person an apartment if they want to work, give them a job if they want, and make sure it’s going to the right cause.”

Perhaps the biggest success in this regard is a man who was living in a homeless shelter when Siegel met him, and who is now managing one of his properties’ restaurants. Several others have been with the company for years. One, Siegel’s second-in-command reminds him, was found under a freeway overpass.

“Sometimes you find the best people in the weirdest places,” Siegel says, almost with a shrug. “I’d rather hire a guy who I can trust, (rather) than for his skill. You can teach him the skill; you can’t teach trust.”

“He has a spiritual side to him,” says Las Vegas Chabad’s Rabbi Shea Harlig, who notes that Siegel endows scholarships to the Chabad’s day school. But, beyond that, Harlig admires Siegel’s optimism. “Most of the people in the business world now are down and depressed; he’s optimistic. Most people are just trying to hold on to what they have; he’s in the mode of expanding.”

Undoubtedly there are detractors, disgruntled renters, and nitpickers of Siegel’s success. Certainly one could look at his “Stay Here, Eat Free” campaign as a bit of a ruse (it doesn’t mean access to an endless buffet, but rather typically includes a daily coupon for a sandwich or entrée). But Siegel even responds personally to customer complaints, when time allows.

“The guy goes to Gold Spike four to five days a week and eats breakfast at 5 in the morning and had a bad experience,” he says.



Situated across from the Hard Rock Hotel, Rumor was previously the St. Tropez Hotel, which was renovated when purchased by Steven Siegel.

“That bothers me. Because if I spent the money to remodel the place and hire the right staff, I need to make sure that customer’s happy. Even if they’re not right.”

Siegel also knows the impact of his personal attention has more value than just pleasing one customer.

“Customers are the ones who go out and advertise for you. I guarantee you that guy told everyone at work, ‘Can you believe Steven Siegel took his time to call me?’ ”

Gold Spike may be one of the more difficult of Siegel’s properties. He says he may have overpaid for it, though he’s proud of the transformation and being involved with downtown.

“We put more hard work into it than money,” says Siegel, who is frequently hands-on with everything from design to actual construction. “which sometimes takes you a lot farther than money.”

Still, other challenges remain.

“We’re sitting next to a failed retail, a failed condo and a failed casino, Lady Luck.” He alludes to a couple squabbles with the owners of the latter, and calls Neonopolis “a complete disaster—I’d pay to see it demoed.” It’s harder to get him to criticize the stalled projects on the Strip, though he still shakes his head about the developers who knocked down the New Frontier only to, as he puts it, “own a piece of dirt for 1.2 billion dollars.”

“What sets apart Steve Siegel and his team,” says Mayor Oscar B. Goodman, “is that when they say they are going to do something, they do it. They come in with new projects, and they make them a reality.”

While he and Mayor Goodman are mutual fans, Siegel says, “I think there has to be something here to promote more jobs, to help people create jobs.” He saves rare criticism for local press he thinks is all too eager to accentuate the negative. “I think it’s about bringing the community in tighter; I think it’s about the community pitching in together to bring Vegas back.”

Siegel formerly made the claim that the Siegel Suites will stop

with 10,000 units in Vegas. He now backs away from that—the goal currently is to have the most units in the market, while remaining cautious of saturation. The company finally is ready to enter the new construction business with a Siegel Suites and attached 7-11 coming soon. And, a Latino-focused fresh juice concept, Sr. Jugos, seems only to be waiting for the first signs of sustained economic recovery. And, he says, in many cases, the current buildings are just placeholders.

“The highest and best use (for many of the Suites locations) is not what we are currently doing with the property,” he says obliquely.

Though Siegel admits loving his work, his personal quirks don’t seem to run to the lengths of a Warren Buffett or Steve Wynn. Despite nearly 1,000 employees working for him, the Turnberry Place resident says he sleeps soundly and finds time for typical fun, such as movies, shopping, fishing and hanging out with friends. Still, this past August was the first time he took time off for more than three consecutive days during his adult life, and he isn’t one for too many indulgences past his Audemars Piguet wristwatch. “Money,” he says, “is just a tool to buy something else. Money isn’t to buy a boat or go on vacation for three months.”

With other properties in Los Angeles, Reno and Mesquite, Nev., and San Antonio, Siegel believes his Suites concept can translate elsewhere—though few markets might offer quite as many opportunities.

“I love Vegas in a good economy; I love Vegas in a bad economy. I’m definitely bullish on Vegas.”

One wonders then, why he doesn’t run for the mayor’s office himself.

“No. I’m too real to be a politician. Much too honest for that.”

That actually sounds like Siegel’s biggest boast so far, until he talks about what’s been keeping him cagy on certain details: a memoir in the works. So there is more to tell?

“You’re going to have to read the book,” Siegel says.—**E.C. Gladstone**