

HAUTE LIVING

THE NEW STANDARD FOR LUXURY

On The List

Lifestyle mogul Sam Nazarian gets ready to draw a crowd with his new luxury hotel line

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“Is it time?” asks Sam Nazarian, popping his head into the conference room at SBE Entertainment’s offices on Beverly Boulevard and eyeing the television cameras from a local news crew waiting to interview the CEO and founder of SBE.

Already, Brent Bolthouse—the city’s legendary party promoter—was patiently waiting in the room for a photo shoot, courtesy of this magazine, while across the courtyard, Theresa Fatino, SBE’s Chief Creative Officer, was being beckoned by BlackBerry-wielding publicists to come join the shoot.

To borrow a familiar Hollywood phrase: It’s lights, camera, and action at SBE Entertainment. Having established itself as one of Los Angeles’ reigning nightlife operators with such clubs as Hyde and Area and restaurant Katsuya, Nazarian’s SBE Entertainment is launching SLS Hotels, the company’s entrée into the luxury hotel market. Their first hotel, SLS at Beverly Hills, a complete redo of Le Meridien at Beverly Hills, arrives next spring.

According to Nazarian, SLS Hotels—a brand two and a half years in the planning stages—will fill the niche between established, upscale brands and more modern, flashier hotels.

“Right now, you go to a Four Seasons,” he says, “and it’s beautiful, plush, but stuffy. Or you go to an Ian Schrager hotel and it’s cool, high-energy and high design. But you can’t get your wireless Internet to work.”

Outlining SLS’s approach to service, Nazarian references legendary hotelier Sol Kerzner, founder of Sun International and chairman of the board of Kerzner International. “We want to hit that level of service,” he says. “But we also want to have fun.”

And Nazarian nailed the high-energy, high-design quotient by signing Philippe Starck to an exclusive 15-year contract; the French designer is working on many of SBE’s restaurants and lounges.

Following SLS at Beverly Hills, a Starck redo of South Beach’s Ritz Plaza Hotel, will open in January 2009, while SBE’s purchase of the Sahara Casino & Resort earlier this year ensures the company’s presence on the Las Vegas Strip.

Looking forward, Nazarian says there are plans to open a SLS hotel every year, starting with gateway cities—likely spots include Chicago, San Francisco, and Miami—while Mexico, Czechoslovakia, India, and China are also being considered.

Nazarian’s business strategy is ambitious, but not surprising, according to those who’ve worked with him on past projects. “He’s very smart, very aggressive,” says Brad Korzen, CEO and principal of Los Angeles-based Kor Group, who has partnered with Nazarian on numerous investments, including the famed Viceroy Hotel in Santa Monica, and a number of downtown projects.

Korzen specifically singles out SBE’s work at Katsuya, the Brentwood sushi restaurant that opened to critical acclaim earlier this year. “It’s great quality, great service, but he’s done it in a way that is much more modern than the way that other restaurants have been done,” says Korzen. “He understands doing the great package.”

The son of Qualcomm co-founder Younes Nazarian, the younger Nazarian was born in Tehran, but raised in Los Angeles. By his early 20s, he had already started and sold a cell phone company; later, he moved to real estate, investing a reported \$150-\$200 million into houses, hotels, and downtown buildings.

But Hollywood’s nightlife is where Nazarian made his mark, helping to transform the area’s once-dingy streets into a glamorous and bawdy scene. He opened his first club Shelter (currently Privilege) in 2003, following with a list of spots including Area, Lobby, and, most recently, Hyde, a 100-person capacity club so exclusive that the valet won’t park your car until it’s certain you’ve gotten past the velvet ropes.

“He saw what was lacking in Los Angeles,” says Bolthouse of Nazarian. A nightlife maven whose been throwing parties in Los Angeles for the last 17 years, Bolthouse merged with SBE in 2005 (SBE owns half of Bolthouse’s company, Bolthouse Productions) after meeting Nazarian in Las Vegas at one of the promoter’s Body English parties.

Bolthouse cites Nazarian’s dedication to superior design for his clubs (be it mid-Modern design or African safari), impeccable drink service, and insistence on the best sound system around as the keys to his

success. “Not everyone will buy Avalon speakers,” says Bolthouse, referencing the pricey sound system. Nazarian, he adds later, “isn’t afraid to spend money.”

But if Nazarian distinguished himself by constantly re-inventing his clubs and shutting venues down every six-eight months to re-decorate, guess what? Like any trendsetter, he knows when to call it quits.

The method of constantly re-decorating clubs “likely won’t be continuing,” according to Michael Doneff, SBE’s VP of Marketing. Instead, the company will be focusing on creating more lasting brands, says Doneff.

To that end, SBE will open Katsuya Hollywood at Hollywood & Vine and unveil S Bar, a bar adjacent to the restaurant. With a sexy “flea market” theme, the bar will be decorated with table lamps hung upside down as chandeliers, while the walls will hold oversize photos and paintings. Additionally, another Katusya will open in downtown Fall 2008.

In December, Lobby will re-open as a yet-to-be named Art Deco/’60s London- inspired club, while an English library-themed supper club will launch on the site of the former Privilege club next summer.

But for now, the SLS brand takes center stage. In her office SBE CCO Fatino shows off the SLS logo, a formal-looking but whimsical insignia, and a pamphlet about the hotel brand being mailed to friends and potential guests.

“I’ve never worked on a brand so long,” says Fatino, sounding a bit surprised at that acknowledgment. A former executive of Starwood’s W Hotel, Fatino says SBE didn’t want to “just slap the SLS brand” on a hotel line. “From the moment we started, we wanted to wipe the slate clean,” she says, “and do something new and come up with a whole different approach.”

Hotel guests can expect the unexpected in all the hotel’s details; all the rooms will have Starck-designed furniture, like custom made armoires and tables manufactured by renowned Italian-furniture maker Cassina. Televisions will be hidden behind the mirrors, only appearing when turned on.

Downstairs, the hotels will have what’s being called a “circus-like” lobby, while guests can also choose to enter through a private entrance. All the dining is being overseen by Chef José Andrés, a Washington, D.C.-based chef and James Beard Foundation award-winner, while a soon-to-be announced French designer is behind all the SLS staff uniforms.

Additionally, guests will receive a special card granting them VIP access to SBE’s venues. And in Los Angeles, for example, a service will whisk passengers from the hotel to and from SBE’s clubs and restaurants.

As for the typical SLS customer, it’s a “global, well-traveled audience,” says Fatino. “They’re creative and socially-conscious.” Not surprisingly, executives say the young celebrity TMZ.com crowd that frequents clubs like Hyde aren’t necessarily part of the SLS demographic.

Meanwhile, it’s still unclear when the Sahara Hotel & Casino, a 1,720-room Moroccan-themed hotel in Las Vegas purchased by SBE earlier this year, will get its makeover. But the company does intend to launch a gaming branch, likely focusing first on Las Vegas and eventually expanding to other cities.

Additionally, SBE is looking to add two more divisions, says Nazarian, noting that the branches will “be a natural extension” of the SBE brand, which, in addition to hotels, clubs, and restaurants, also includes a film business. (A major investor in Hollywood, SBE’s film division recently produced Mr. Brooks, the well-received Kevin Costner-Demi Moore thriller.)

If he can’t expand on the upcoming new SBE branches, Nazarian does point to Los Angeles-based AEG as his business model. With a portfolio ranging from the Staples Center to the Los Angeles Kings to the forthcoming LA Live, mixed-use project in downtown Los Angeles, AEG has nailed the multi-platform business strategy, says Nazarian.

“They have the real estate company, the sports arena company, and the teams that they own,” he says. “And they have the concert tours, the hotels, and the movies that they finance.”

But AEG has also changed the landscape of Los Angeles, notably with their forthcoming LA Live project, one that’ll add a much-needed dose of retail, condos, and culture to downtown Los Angeles.

Likewise, Nazarian is credited with helping raise the bar in terms of nightlife offerings. When it comes to hotels, clubs, or restaurants, Los Angeles hasn’t always been on par with other cities like New York or Chicago, Nazarian bluntly admits. But the city’s reputation is changing for the better, he says, noting that topnotch hotels, for instance, draw better hotel operators, engineers, and architects to the city.

“People are taking Los Angeles a lot more seriously on many different fronts,” he says. “And that’s exciting to me.”