



# The Potential Economic Impacts of Renovations to the LVCC

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TOURISM  
ECONOMICS

AN OXFORD ECONOMICS COMPANY

# Introduction

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- The Las Vegas Convention and Visitors Authority is considering renovation of the Las Vegas Convention Center.
- In order to assess the potential for additional demand for use of the LVCC, Tourism Economics developed a survey of event organizers.
- The survey was distributed to organizers of events that currently are not held in Las Vegas, but the organizers were identified as willing to consider Las Vegas as the venue.
- The survey was designed to gauge the strength of interest in Las Vegas, as well as what would be required to successfully attract the event to the City.
- Surveys were sent out to a total of 21 event organizers.

# The highlights

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- Lack of available dates was cited by nearly two-thirds of respondents as the reason Las Vegas is not in the current rotation of sites for their event.
- More than half of respondents indicated that they would be **very likely** to hold their event in the City if spaces and dates were more available.
- These events likely to come to Las Vegas would bring in an estimated 375,000 convention attendees, filling 733,000 rooms, and \$500 million in new spending.
- The total impact of these events would reach \$813 million and support 7,600 jobs. Over a ten-year period, the estimated 69 new events in Las Vegas would directly add \$2.4 billion supporting a total of \$4.0 billion in economic activity in Clark County.

# The survey

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- 17 responses were received of the 21 surveys distributed.
- The events and conferences range in size from 4,500 to 65,000
- The sample represents 423,648 attendees.
- The events covered in the responses have an average attendance of 25,000 and an average length of 4.4 days.

# Spending assumptions

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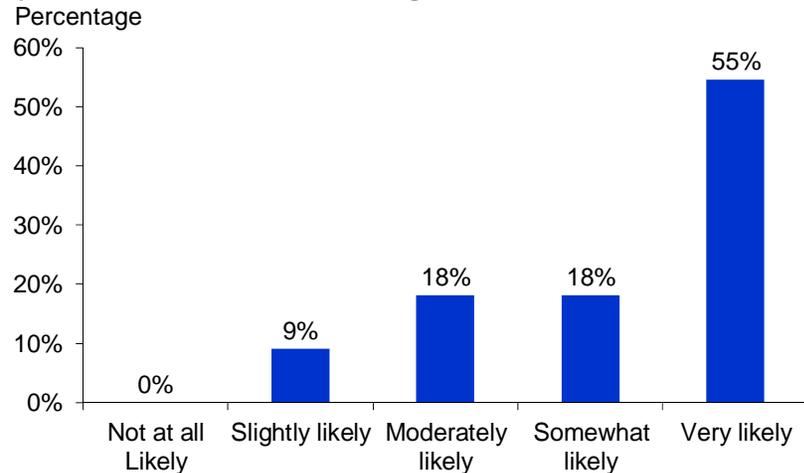
- The 2014 Las Vegas Visitor Profile Study was used to develop an attendee spending profile.
- Gaming spending for convention and meeting attendees was provided by LVCVA and based on a per capita spending model.
- Organizer and exhibitor spending estimates were developed based on Tourism Economics research conducted in support of the DMAI Event Impact Calculator along with other LVCVA inputs.
- Impacts of direct spending were estimated using an IMPLAN input-output model for Clark County.

# Current consideration of Las Vegas as host

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- Organizers of large conferences considering booking the LVCC were contacted to fill out the survey.
- 11 events would be new to Las Vegas and are considering coming to the City.
- Six respondents represent conferences that have been in Las Vegas recently but have concerns about rebooking in the future.

**Would more available dates and space increase your chances of booking LV**

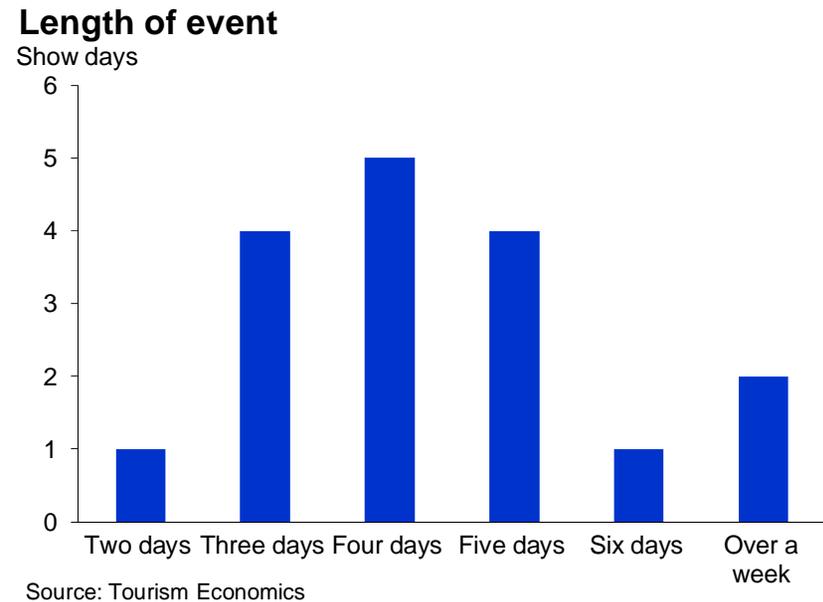


Source: Tourism Economics

# Length of event

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- Most events range in length from three to five days with four days being the mode in the sample.
- Two of the events were over a week long.



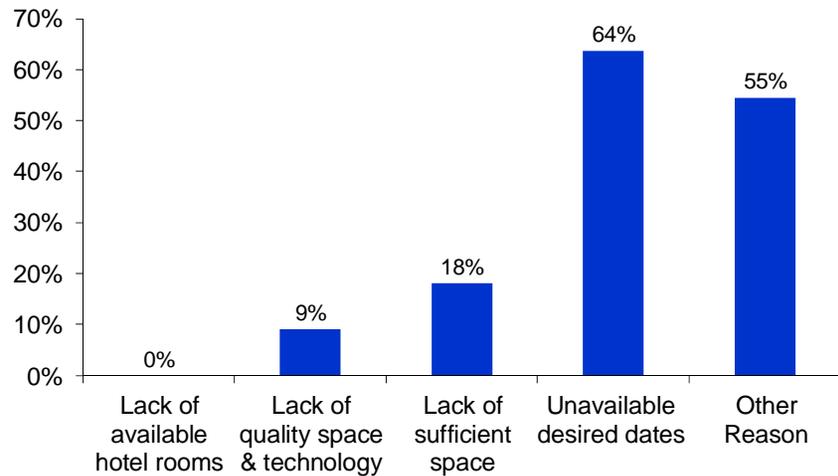
# Factors preventing conference bookings

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- Lack of available dates was the most frequently cited reason preventing respondents from hosting conferences in Las Vegas.
- Other reasons include specific meeting needs (session rooms/stages/hall configuration) and indicate space reasons also prevent some events from coming to Las Vegas.

**Factors that prevent conferences from hosting**

Percentage



Source: Tourism Economics

# Effect of lack of available dates

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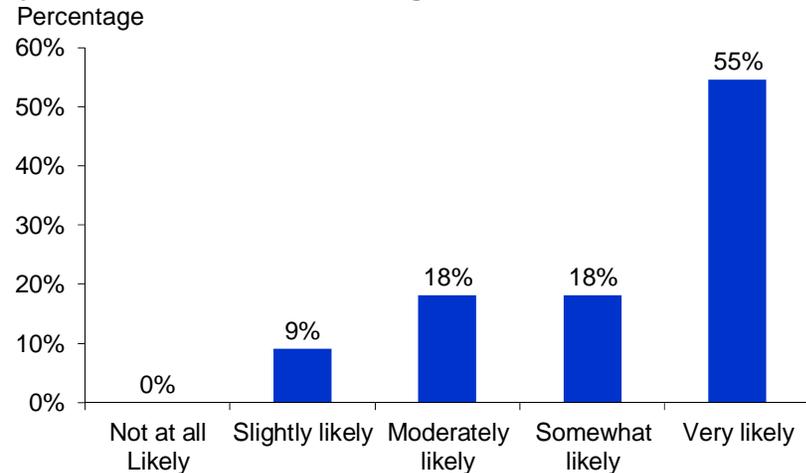
- 10 respondents indicated lack of available dates being a problem either in the survey or in the comments.
- These 10 conferences represent 139,121 potential attendees and 526,084 potential attendee days.
- On average these conferences would come to Las Vegas once every three years.

# Would LVCC renovations lead to new bookings?

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- This question was asked of organizers that have not booked Las Vegas in the last five years.
- More than half of respondents indicated that they would be very likely to book Las Vegas if spaces and dates were available.

## Would more available dates and space increase your chances of booking LV



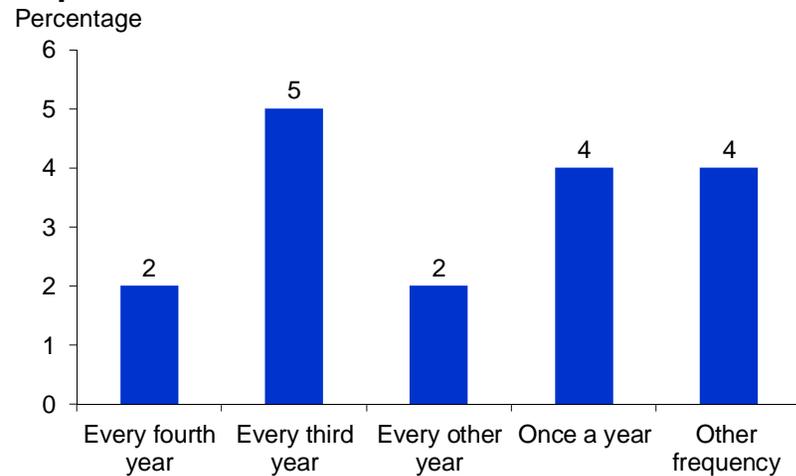
Source: Tourism Economics

# Event frequency

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- On average, Las Vegas could expect to host an event every 2<sup>nd</sup> or 3<sup>rd</sup> year.
- Four events would book Las Vegas once a year.
- Five events would book Las Vegas every third year.

**Frequency booking LV Convention Center if improvements are made?**



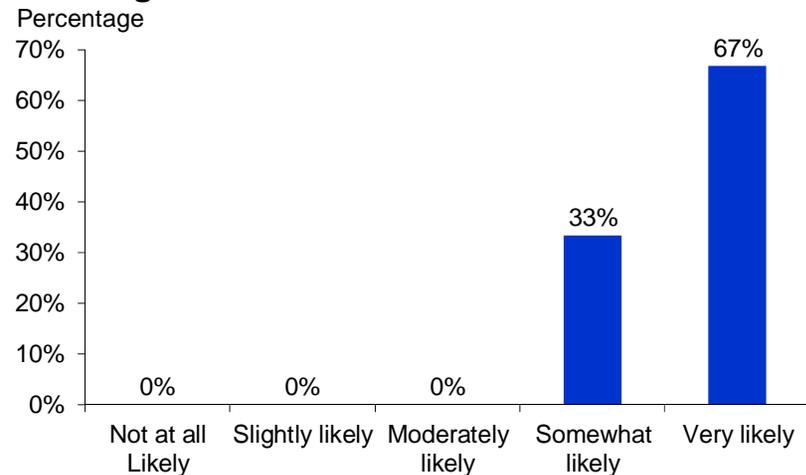
Source: Tourism Economics

# Would renovations increase current bookings?

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- This question was asked of the six event organizers that have booked the convention center in the last five years
- All of the respondents indicated that they would be somewhat likely or very likely to increase the frequency of Las Vegas bookings

**Would more available dates increase frequency of booking LV**



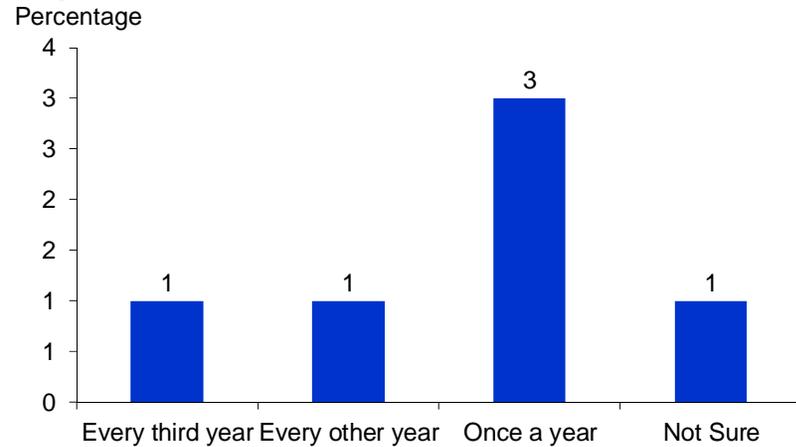
Source: Tourism Economics

# Potential of more frequent visitation

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- The six organizers would be interested in increasing the frequency of booking Las Vegas if renovations are made.

**How frequently would you book LV if improvements are made?**



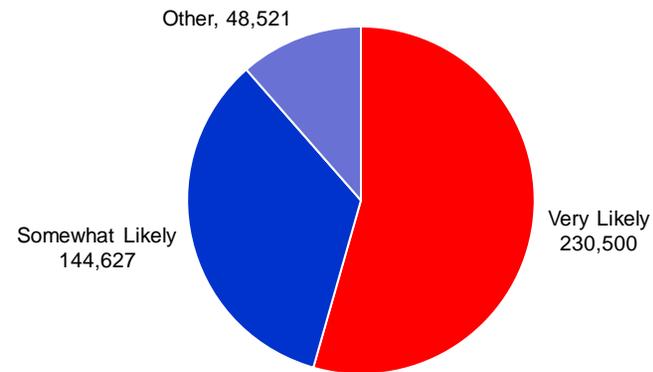
Source: Tourism Economics

# Attendance by likelihood

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- Organizers that would be very likely to bring their events to Las Vegas represent over 230,000 attendees.
- Events representing another 145,000 attendees would be somewhat likely to book the convention center once additional space became available.

**Attendance by likelihood of having meeting in Vegas post-renovation**



Source: Tourism Economics

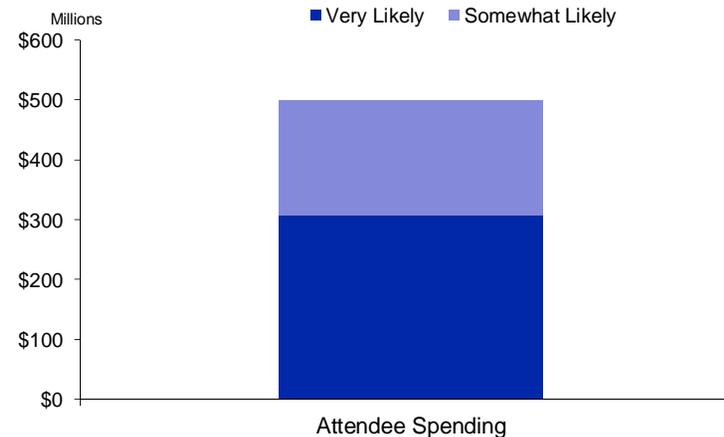
# Potential direct spending: \$500 million

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- Events *somewhat* or *very likely* to come to a renovated convention center would bring in \$500 million in direct business sales.
- Of the \$500 million, \$307 million in direct spending came from events where organizers would be *very likely* to book a renovated convention center.

## Maximum Attendee Spending

Assuming all meetings came in same year



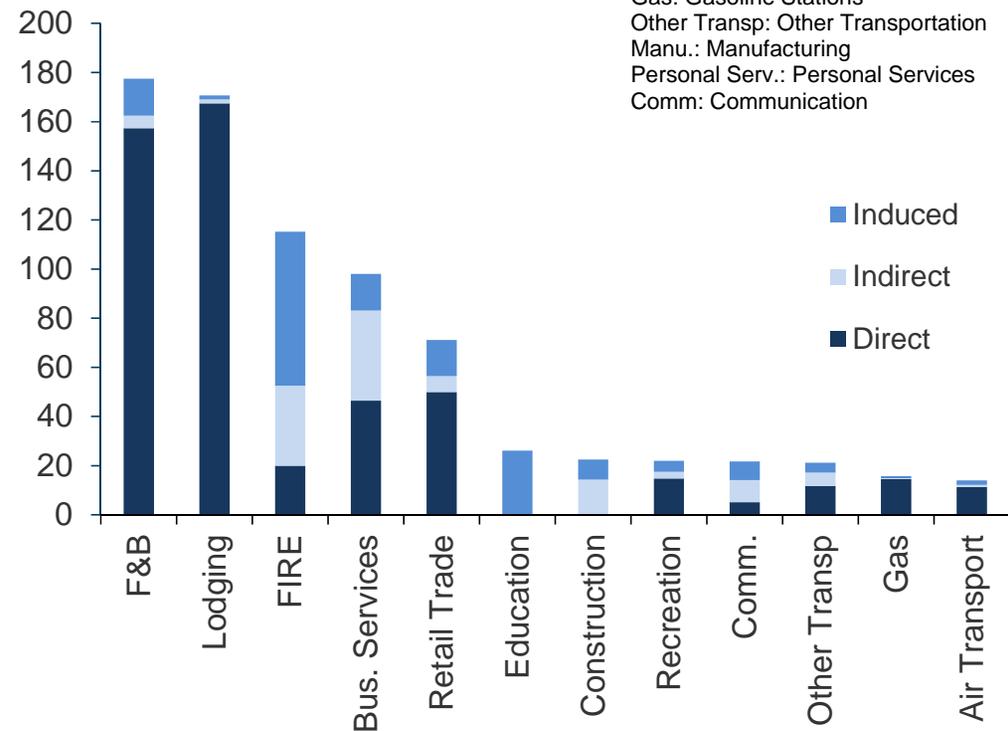
Source: Tourism Economics

# Overall impact: \$813 million

- Total business sales from these events freshly attracted by a renovated convention center would reach \$813 million.
- The impacts would be felt in all industries in Clark County.

**Travel Sales by Industry**

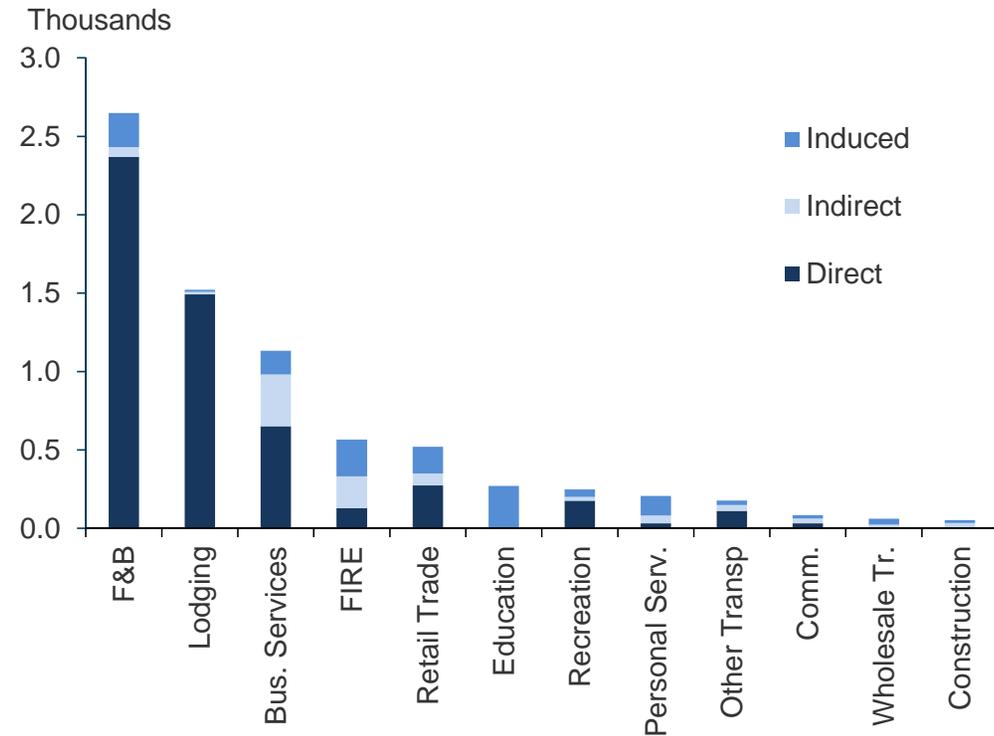
\$ million



# Overall impact: 7,600 jobs

- These new events would directly support over 5,300 jobs.
- The overall business activity created by these new events would support 7,600 jobs and \$300 million in labor income.

**Travel Employment by Industry**



# Overall impact: \$54 million in tax revenue

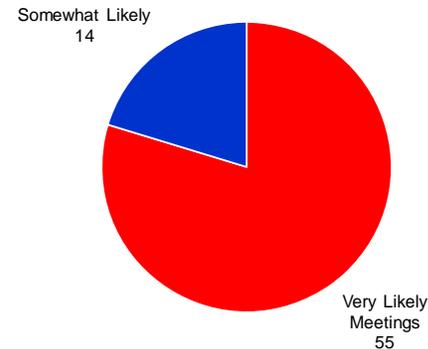
- \$54 million in state and local tax revenues would be created by the economic activity brought to Las Vegas from hosting these events.

| Event-Generated Tax Revenues |             |                      |              |
|------------------------------|-------------|----------------------|--------------|
| (US\$ Million, Year)         |             |                      |              |
|                              | Direct      | Indirect/<br>Induced | Total        |
| <b>Federal</b>               | 46.4        | 25.9                 | 72.3         |
| Personal Income              | 15.5        | 8.5                  | 24.0         |
| Corporate                    | 4.2         | 4.6                  | 8.9          |
| Indirect business            | 4.6         | 2.4                  | 7.0          |
| Social Security              | 22.0        | 10.4                 | 32.5         |
| <b>State and Local</b>       | 35.7        | 18.6                 | 54.3         |
| Sales                        | 20.1        | 10.5                 | 30.6         |
| Personal Income              | -           | -                    | -            |
| Corporate                    | 0.0         | 0.0                  | 0.1          |
| Social Security              | 0.7         | 0.3                  | 1.0          |
| Excise and Fees              | 6.0         | 3.1                  | 9.2          |
| Property                     | 8.8         | 4.6                  | 13.4         |
| <b>TOTAL</b>                 | <b>82.1</b> | <b>44.5</b>          | <b>126.6</b> |

# 10 year impact

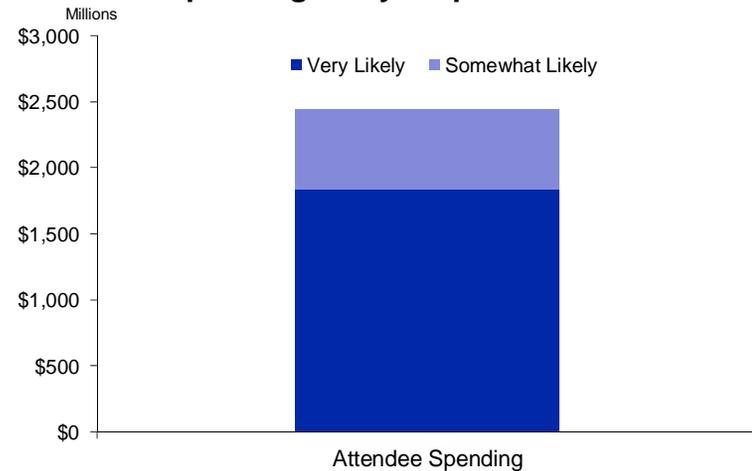
- Based on the frequency of events in the survey, a renovated Las Vegas Convention Center would host 69 new events – 55 very likely - from these organizers over a ten-year period.
- These meetings would bring around \$2.4 billion dollars in direct spending from organizers/attendees.
- Total room demand from the attendees would surpass 3.5 million room nights.

Meetings potential - 10 year period



Source: Tourism Economics

Attendee Spending - 10 year potential



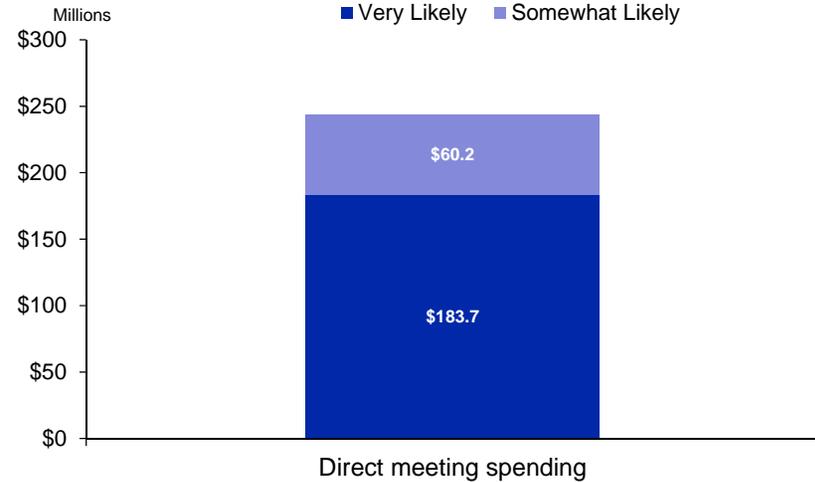
Source: Tourism Economics

# Annual impact

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- On average, the Las Vegas Convention Center could expect to see 7 bookings a year from these events.
- These meetings would bring around \$240 million dollars in direct spending from organizers/attendees with a total impact of \$400 million.
- Annual room demand from the attendees would be nearly 358,000 room nights.

**Annual Event Spending**



Source: Tourism Economics

# Annual impact

- These events would directly boost state and local governments tax revenue by \$17.4 million.
- Overall, tax revenue to state and local governments would increase \$26.5 million annually.

| Event-Generated Tax Revenues            |             |                      |             |
|---|-------------|----------------------|-------------|
| (US\$ Million, estimated annual impact) |             |                      |             |
|   | Direct      | Indirect/<br>Induced | Total       |
| <b>Federal</b>                          | 22.6        | 12.6                 | 35.3        |
| Personal Income                         | 7.6         | 4.1                  | 11.7        |
| Corporate                               | 2.1         | 2.3                  | 4.3         |
| Indirect business                       | 2.2         | 1.2                  | 3.4         |
| Social Security                         | 10.7        | 5.1                  | 15.8        |
| <b>State and Local</b>                  | 17.4        | 9.1                  | 26.5        |
| Sales                                   | 9.8         | 5.1                  | 14.9        |
| Personal Income                         | -           | -                    | -           |
| Corporate                               | 0.0         | 0.0                  | 0.0         |
| Social Security                         | 0.3         | 0.2                  | 0.5         |
| Excise and Fees                         | 2.9         | 1.5                  | 4.5         |
| Property                                | 4.3         | 2.2                  | 6.5         |
| <b>TOTAL</b>                            | <b>40.0</b> | <b>21.7</b>          | <b>61.7</b> |

## Closing comments – space

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- “If more space were available to host every third year, we would be there in a heartbeat... Hands down Vegas would be in our rotation. Build it and we will come!”
- “The LVCC needs more meeting rooms and is in need of a major renovation.”
- “Additional meeting room and exhibit is needed greatly to accommodate very loyal trade shows that would very much like to book the Convention Center.”
- “Unless there is expansion or openings in other halls aside from the South Hall, we may have to look at alternate locations.”

## Closing comments – date

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- “Current annual Las Vegas shows make it impossible for us to secure dates.”
- “If the space were available at our ideal dates, we would gladly put Vegas in to our regular rotation.”
- “I would like to bring our\_\_\_\_\_ events to Las Vegas more frequently but have trouble finding dates and availability.”
- “If there is ANY chance Las Vegas could accommodate with the proposed changes please advise immediately as the Board will be selecting these years in December 2015.”

# Appendix

# Economic opportunity of LVCC expansion

| Economic Opportunity<br>LV Convention Center Expansion |             |                         |             |
|--|-------------|-------------------------|-------------|
|  | All Events* | 10 year<br>cumulative** | Annually*** |
| Events   | 14          | 69                      | 7           |
| Attendance   | 375,127     | 1,829,935               | 182,994     |
| Show days  | 65          | 296                     | 30          |
| Room Nights  | 733,704     | 3,579,138               | 357,914     |
| Spending (Millions)                                    | \$500.0     | \$2,438.9               | \$243.9     |
| <b>Impacts:</b>  |             |                         |             |
| Employment   | 7,602       | 37,083                  | 3,708       |
| Labor Income (Millions)                                | \$297.9     | \$1,453.0               | \$145.3     |
| Business Sales (Millions)                              | \$813.0     | \$3,966.1               | \$396.6     |
| State and Local Taxes (Millions)                       | \$126.6     | \$617.45                | \$61.7      |

\* Overall: aggregate value of each very and somewhat likely event once

\*\* 10 year cumulative: factors in frequency of event over 10 year period

\*\*\* Annual: average annual impact over 10 year period, reflecting event frequencies