

**SOUTHERN NEVADA TOURISM INFRASTRUCTURE  
COMMITTEE MEETING  
September 24, 2015**

**The meeting of the Southern Nevada Tourism Infrastructure Committee was called to order by Chairman Hill at 9:00 a.m. in the Blasco Event Wing at the UNLV Foundations Building.**

**1. ROLL CALL/CALL TO ORDER/ESTABLISH QUOROM**

**BOARD MEMBERS PRESENT**

Mr. Steven Hill, Committee Chairman  
Dr. Len Jessup, Committee Vice Chairman  
Ms. Carolyn Goodman, Mayor of City of Las Vegas  
Ms. Kristin McMillan, President and CEO of the Las Vegas Metro Chamber of Commerce  
Mr. Tom Jenkin, Global President of Caesars Entertainment  
Mr. Bill Noonan, Senior Vice President of Boyd Gaming  
Mr. William Hornbuckle, President of MGM Resorts International  
Ms. Kim Sinatra, Executive Vice President of Wynn Resorts  
Mr. George Markantonis, President and COO of The Venetian and The Palazzo  
Mr. Mike Sloan, Senior Vice President of Station Casinos

**APPOINTED COMMITTEE MEMBERS ABSENT**

Mr. Steve Sisolak, Chairman of the Clark County Commission

**ADVISORY COMMITTEE MEMBERS PRESENT**

Ms. Elizabeth Fretwell, City Manager of the City of Las Vegas  
Mr. Donald Burnette, County Manager of Clark County  
Ms. Rosemary Vassiliadis, Director of Clark County Department of Aviation  
Ms. Tina Quigley, General Manager of Regional Transportation Commission of Southern Nevada  
Mr. Rossi Ralenkotter, President and CEO of Las Vegas Convention and Visitors Authority  
Mr. Guy Hobbs, Managing Director of Hobbs Ong & Associates

**2. PUBLIC COMMENT: 9:04 a.m.**

Mr. Ed Uehling feels people like ESPN and Live Nation need to be on boards such as the LVCVA or SNTIC because they are the ones who are responsible for bringing the people to Las Vegas.

There are no more public comments. Chairman Hill closes Agenda Item 2.

**3. ACCEPTANCE OF MINUTES FROM AUGUST 27, 2015: 9:06 a.m.**

Chairman Hill opens the floor to any motion to accept or make changes to the minutes. The acceptance of the minutes passes unanimously.

Chairman Hill closes Agenda Item 3.

**4. CHAIRMAN/COMMITTEE COMMENTS: 9:07 a.m.**

Chairman Hill reiterates the first five meetings of the Tourism Infrastructure Committee are centered on the five major topics the committee has been asked to address. He apologizes that the meetings for the next three subjects will be long as they are very important to the region and there is a significant amount of information that needs to be reviewed in order to make recommendations to the Governor and the Legislature in the summer of 2016. Chairman Hill points out that the role of the committee is to make recommendations to the Legislature where public entities may need to engage in order to ensure Las Vegas has the infrastructure necessary to remain competitive in its core industry. It is not the committee's role to choose between competing private interests for facilities that may be built.

There are no more comments. Chairman Hill closes Agenda Item 4.

**5. RESEARCH STAFF REPORT: 9:09 a.m.**

Mr. Jeremy Aguero references the Staff Report and October Meeting Preview. The Staff Report highlights some of the key statistics brought up from the meeting in August, particularly focusing on how many people go through McCarran International Airport. Measured by the origin and destination passengers, McCarran is the second-busiest airport in the nation, serving as a lifeline to Las Vegas's core tourism industry. Issues discussed include the timeline for reaching the airport's maximum capacity, risks associated with having a single resource of jet fuel in southern Nevada, and the potential need for a new airport at Ivanpah. Mr. Aguero then highlights possible recommendations. He notes that while Ivanpah has been a significant part of the community dialog as it relates to building airport capacity, in the near and mid-term, the community's focus needs to be on preserving the site and evaluating alternative funding options. He also highlighted the potential of creating a pilot program to address taxi wait times at McCarran International Airport.

Mr. Aguero then references the upcoming committee meeting on convention centers. Southern Nevada is home to three of the top 10 convention centers in the United States and has ranked number one in the trade show 200 for 21 consecutive years. Mr. Aguero notes that southern Nevada has a larger visitor-based convention and meeting economy than most markets have tourism economies in total, and the Las Vegas convention industry adds significantly to economic output, wages and salaries paid, taxes collected, and employment. Mr. Aguero acknowledges that other markets are seeking to be more

competitive with Las Vegas and that technology advancements may have the potential to adversely affect convention and meeting travel in the future.

A question was raised last meeting relative to the balance between the hotel rooms that southern Nevada has in the development pipeline and the projections that Mr. Aguero presented as a baseline relative to visitor volume. Mr. Aguero provides a projection matrix that depicts potential room occupancy rates in southern Nevada and alternative compounded annual growth rates for visitor volume for various periods into the future. The matrix estimates how many additional hotel rooms would be needed to meet demand under various alternative scenarios. Mr. Aguero states that the visitor volume projections were shifted from a midpoint growth rate of about 2 percent per year to a midpoint growth rate of about 1.25 percent per year. Notably, this is a decrease from where the region grew last year and where expectations are for this year. This reduction is going to mean that occupancy rates will need to exceed current levels, as the inventory of hotel rooms in the development pipeline is insufficient to meet demand at current visitation growth levels. The slower baseline rate of growth reduces total visitor volumes in the out years of the projection period. Referencing the provided chart, there would need to be 11,272 additional rooms at the reduced rate of growth if occupancy rate were to remain roughly stable. The goal is not to project this with a particular degree of precision but rather try to provide a reasonable expectation in terms of the hotel room supply that is going to have to come online to meet the demand that is expected within the southern Nevada tourism market. Mr. Aguero states the other pages provided in the exhibit illustrate the same projections out to 2050, ultimately estimating hotel room inventory and McCarran International Airport capacity.

Mr. Hornbuckle states that room yield and average daily room rates are not a consideration provided by the projection matrix. He notes that the industry is still down about 15 percent in terms of hotel room yield, which is a critical consideration. Thus, the market has to catch up in terms of pricing if any significant investment is going to occur.

Chairman Hill closes Agenda Item 5.

**6. PRESENTATIONS: 9:20 a.m.**

**a. Importance of Major Events to Southern Nevada's Tourism Economy  
-Las Vegas Convention and Visitors Authority (LVCVA): 9:20 a.m.**

Chairman Hill welcomes Mr. Rossi Ralenkotter from the Technical Advisory Committee. Mr. Ralenkotter introduces Ms. Cathy Tull, the Senior Vice President of Marketing at the LVCVA, and Mr. Kevin Bagger, the Director of Research at the LVCVA.

Mr. Ralenkotter states the LVCVA is the leading organization that establishes the brand image of Las Vegas. Last year, Las Vegas attracted a record-breaking 41 million visitors and is on track to increase that to 42 million visitors in 2015. The LVCVA looks to market segments and activities to not only drive visitation but to also increase average daily rates and returns. The LVCVA dedicates resources and sales efforts to various

market segments in Las Vegas with the intent of expanding the amount of visitation and exposure for Las Vegas as a destination.

Mr. Ralenkotter points out that there are three key market areas instrumental to growth in southern Nevada. These include the meeting and convention market, international travelers and special events. Mr. Ralenkotter emphasizes that the LVCVA has been very successful in this effort. Mr. Ralenkotter points out that meetings and conventions represent about 13 percent of the market share and international visitation represents about 19 percent. Mr. Ralenkotter has charged his staff with taking international visitation from 19 percent to 30 percent over the next seven years.

Mr. Ralenkotter moves on to the special events segment, which generates about 2.9 million visitor trips per year. The LVCVA has been in the special events business since the late 1970s. Mr. Ralenkotter says components of special events are important in that many of them are midweek, are capable of targeting slow periods during the year and bring first-time customers to Las Vegas. Las Vegas Events (LVE) was formed in 1983 to aid in creating a country-western experience around the National Finals Rodeo. Mr. Ralenkotter suggests if this formula is emulated every time there is a special event in town, it would translate into substantial economic growth for the tourism industry.

Mr. Ralenkotter states that in 1983, the state Legislature also enacted a 1 percent room tax broken into two components: three-eighths of that 1 percent was provided to the state for the funding of the Nevada Commission on Tourism and the other five-eighths of that 1 percent went to the convention centers in Reno and Las Vegas to fund the promotion of special events. It was the only line item in the LVCVA's budget that rolled over each year. This agreement was in place for 16 years and generated \$107 million for event promotion. But since 1999, the Legislature redirected the five-eighths share to the school district, eliminating this funding source from the LVCVA's budget. Mr. Ralenkotter stresses how important having this type of budget is for the state since other states, such as Texas, have a budget specifically for special events that allowed them to compete for and almost capture the National Finals Rodeo last year.

Mr. Ralenkotter moves on to say the LVCVA and LVE have a multilayered approach. LVE works through the LVCVA promoting sponsorships, doing some production of special events and going out to prospect new events for Las Vegas. The LVCVA looks at destination and media-driven events that provide visitation. Currently, the LVCVA provides \$7.5 million to LVE for the sponsorship and promotion of events, while investments in LVCVA funded events are at \$1.5 million and media-funded events are at \$5.4 million. The LVCVA and LVE generate about 1.3 million attendees annually for special events and provide an estimated economic impacts of \$660 million per year, with most of the events held during the weekends.

Mr. Ralenkotter states that Cashman Center is a community center that opened in 1983 and is owned and operated by the LVCVA. There were 203 events at Cashman last year, which generated a little over 440,000 attendees. The LVCVA has an agreement with the

City of Las Vegas for the redevelopment of Cashman to maximize the acreage of the center.

Chairman Hill opens the floor to questions.

Mr. Markantonis asks about where Mr. Ralenkotter is looking to increase international travel to 30 percent over the next seven years. Mr. Ralenkotter believes international travel and special events have the largest growth potential for the future. The LVCVA's goal is to surpass the 2007 peak for meeting and convention delegates. The increase in international visitors is predicated on the amount of potential air lift that has increased materially in Las Vegas in recent years. Mr. Markantonis then asks why the addition of meeting facilities is necessary if we are still a million delegates short of the peak from 2007. Mr. Ralenkotter states many of the conventions and trade shows that want to come into the destination are prohibited due to lack of space since the market has multiple shows wanting to come into town during the months of January through May, October and November, but are unable to be accommodated.

Chairman Hill asks for clarification on the math regarding the international growth increasing from 19 to 30 percent. Mr. Ralenkotter states some reasoning behind this increase includes countries such as China and Brazil that are allowing more visas, and Las Vegas is the fastest-growing destination in the nation as far as new international airplane seats. Trade shows also bring in a large international crowd. The LVCVA is always looking to improve the mix of visitors, as international visitors stay longer and spend more money as compared to traditional leisure travelers.

Chairman Hill asks about the potential of implementing a state-funded source for a special events budget again. Mr. Ralenkotter estimates the budget would probably be around \$20 million today if the LVCVA still had the special events fund. The challenge with not having this budget is that there is a competitive disadvantage, when competing for large events with states like Texas that have such fund. The significant feature to the budget that was allocated by the room tax was that it could not be used for anything besides event promotion and it rolled over so it could then be projected forward for future events. For Las Vegas to compete in the future there needs to be some funding mechanism either through the LVCVA or the state.

Mr. Markantonis asks for clarification on if any of Las Vegas's facilities are big enough to attract large sporting events. Mr. Ralenkotter says that the region has constraints on sporting events, facility size, and being able to cover the cost of bringing these types of events to southern Nevada. Bigger sport facilities and arenas would allow for more events, but there is a cost involved in that venture that needs to be discussed.

Chairman Hill closes Agenda Item 6a.

**b. The State of the Events Market**  
**- Las Vegas Events: 9:53 a.m.**

Mr. Pat Christenson, President of Las Vegas Events, discusses the evolution of venues and events in Las Vegas and how LVE works with the LVCVA to secure events. The key selling factor for Las Vegas is when an event is being produced here, it is being produced for the world. This unique feature helped form a partnership between the event and the community that allowed large events like the National Finals Rodeo to make southern Nevada their long-term home.

Mr. Christenson states the LVCVA does research on each event by surveying the crowds. At the end of the month, LVE's board reviews the impact of the event from an economic return perspective. Criteria used for deciding what event LVE will work to develop and promote include those that are located at a neutral site, have a strong brand following, possess a sponsorship component, generate 30,000 incremental room nights, occur during off-peak weekends and mid-week, and have strong growth potential for visitors and hotel partners. The LVE board aims to work with the promoters to bring the event to southern Nevada and develop the event in the hopes that will be successful and self-supporting in to the future.

Mr. Christenson reiterates that the funding for LVE sponsorships comes through the LVCVA. The primary role of the LVE's marketing department is to support not only the events that LVE produces but also the events their partners are producing. LVE created a signature event process where they work to connect event producers with the hotels and work with the hotels to do spin-off events.

Mr. Christenson offers there are about 10 events that Las Vegas is unable to host due to the lack of venue. Mr. Christenson states that the one component Las Vegas is missing is a stadium.

Chairman Hill asks if there are any questions.

Mr. Noonan asks how the LVE plans to keep Sam Boyd a relevant facility should a new stadium be built in the future. Mr. Christenson feels it would still be useful even though some of the events will shift to new venues.

Mr. Sloan raises a question on the source for financing a stadium and what revenue it might generate. Chairman Hill says there will be a meeting in the spring dedicated to financing and the recommendations the committee may have for this.

Mayor Goodman asks about the size of property being considered. Mr. Christenson references 40 to 100 acres in order to include the parking that would be needed. He also feels it would take about three years from design to completion. Transportation will always be an issue that will require a master plan for moving people throughout the city.

Mr. Jessup asks if Mr. Christenson believes Las Vegas would be pulling away some of these events from other cities if it simply had a comparable venue. Mr. Christenson does believe that Las Vegas can attract events now taking place in other cities if the community had a large, modernized venue in a prime location.

Mr. Hornbuckle asks what types of events LVE wants to bring to the market. Mr. Christenson says LVE is working on targeting five to six events and talking with the LVCVA about how to fund them. LVE is not thinking about events that cost \$5 million, but less expensive events are being considered as long as Las Vegas can provide the infrastructure and funding for them.

Chairman Hill closes Agenda item 5b.

**c. Major Operator Perspective:  
- MGM Resorts International: 10:53 a.m.**

Mr. Mark Prows, Senior Vice President of Arenas for MGM Resorts International, Mr. Rick Arpin, Senior Vice President and Corporate Controller for MGM Resorts International, and Mr. Chris Baldizan, Senior Vice President of Entertainment for MGM Resorts International, give an overview from their perspective as a major operator of arena and festival venues in Las Vegas. Mr. Arpin feels that entertainment events in particular are a key driver of the southern Nevada tourism industry. Mr. Arpin states that MGM has been an entertainment innovator due to its partnerships with Cirque du Soleil and the introduction of venues for large-scale festivals. The venues in Las Vegas generate significant economic impact and drive increased visitation, but growing the volume and quality of events is imperative to increasing visitation. Special event visitors are typically international visitors who stay longer and spend more money than a standard leisure visitor.

Mr. Baldizan introduces himself and discusses the logic behind the investment MGM has made for multipurpose, outdoor festival grounds. In 2012, MGM invested \$4.5 million in 15 acres of land that is directly across the street from the Luxor, referred to as Las Vegas Village. It has now hosted more than a dozen events. The essence of the festival grounds is to allow for unique experiences that have the potential to drive large, diverse crowds over a defined period of time.

In 2013, Rock in Rio brought its brand to North America for the first time, and the most important factor in that decision was the venue. MGM developed approximately 43 acres of land next to the SLS, referred to as the Las Vegas Festival Grounds. The venue is on Las Vegas Boulevard within close proximity to the resort corridor and downtown and has a capacity of 85,000 attendees. Rock in Rio is further evidence of large-scale events that have the potential to financially impact the economy long term and attract new visitors to Las Vegas. In regards to transportation, statistics show 38 percent of attendees walked from their hotel, 23 percent took the monorail and 19 percent came via taxi. For these venues to be successful they must be treated as community venues that are available for use by all parties. Also, for event producers to have a successful event, it is imperative that events are supported by the community.

Mr. Prows states that the end of this year will mark the 22<sup>nd</sup> anniversary for the Grand Garden Arena and at that juncture MGM will have hosted about seven million guests to a

variety of 900 events. Additionally, during the past 17 years, Mandalay Bay Events Center has hosted 2.7 million fans at about 600 events. These events feed the economic engine and create room lift for all the properties across the resort corridor.

Mr. Prows notes that MGM is in the process of building the Las Vegas Arena with their partner AEG. This new \$375-million arena is on time and budget for a spring 2016 grand opening. In the design process, MGM has studied many arenas around the world and feels they have established a best-in-class venue. This also ensures that Las Vegas is ready for a major league arena sports franchise. MGM's strategy for this arena is to provide a neutral site in the resort community. They want their resort customers to have the same access, experience and availability to premium products at the new arena. Mr. Prows states the estimated economic impact with the new adjusted Live Entertainment Tax regulations is expected to be \$600 million while attracting 1.2 million visitors annually. MGM plans to maximize the programming of this flexible venue with events that complement the programming of their other venues and increase visitation across the board.

Mr. Arpin states that MGM is looking to grow the number of events significantly for their three arena venues and two festival sites. However, MGM believes the entire community needs to rally around these events and participate in order to make them a success. The Las Vegas Arena is a neutral site in an effort to achieve that goal, and they have many hotel partners who have purchased premium seating. Another benefit to the arena being a neutral site is MGM will be able to sell blocks of tickets with promoters alongside all other premium providers. Mr. Arpin asserts that MGM's role is to provide an excellent guest experience and ensure everyone has access to the venues. MGM wants to involve the promoters, artists and managers to help elevate guest experiences.

MGM is working on creating a traffic and parking plan. Their traffic plan for Rock in Rio, which had no parking spaces, worked very well and was an example of a great partnership with the community.

Mr. Arpin states MGM believes there needs to be a stronger economic incentive structure to entice major event producers and events need to be funded in a dedicated way. MGM expresses there is a need for enhanced transit options. Mr. Arpin believes that although there is a need for enhanced transit opportunities, focusing on interim solutions can alleviate some issues, such as moving pedestrian and vehicle traffic around the resort corridor as well as the proper management of future ridesharing. Long-term projects include expanding the Interstate 15 corridor and the Interstate 11 project into Phoenix to open travel for new markets.

Mr. Arpin comments on Nevada's limitation to put a private name of a sponsored venue on a federal highway, which hinders trying to promote events in these venues.

MGM will use its influence and scale to try to grow this market and cultivate business partners with entities that share the same vision, while growing the economy through



increased visitor volume by bringing events to Las Vegas. MGM proposes that greater funding be dedicated by LVCVA and LVE to event procurement and sustainability. MGM supports further development of McCarran and investigation of a high-speed rail between Las Vegas and California. They also support the addition of entertainment venues where appropriate. They do feel there is a need for a larger venue if it has the right capacity and proper financing.

Chairman Hill opens to floor to questions.

Ms. McMillan poses a question of what sources of revenue places like Texas and Orlando are using for similar funding mechanisms. Mr. Aprin suggests that it is typically hotel room tax, car rental type fees and any sort of targeted sales and other tax in the area of the facility. The private portion often comes from a team owner, which Vegas would not have. One thing Texas has done is that they have made it more of a partnership through economic impact and room rate lift from the promoters.

Chairman Hill asks how frequently MGM thinks events will be at the outdoor facilities. Mr. Baldizan states it will be reasonable to have three to four large-scale public events in the spring and in the fall. The use of these venues for private events such as conventions has not yet been ventured.

Chairman Hill asks if there is a generally accepted definition of neutrality. Mr. Arpin conveys that it means everyone has access to the venue. At the Las Vegas Arena, when they went to sell premium seating, they put it out to all the gaming resort companies first before they went to other companies or other individuals. They made sure that local casino operators would be treated equally. The general signage will include 10 or so founding partners along the concourses, but a customer of any resort company will not see another resort company's signs in those locations. The resorts may sponsor events but there are specific guidelines in place to be considerate of the goal of keeping access for everyone.

**Chairman Hill thanks MGM for their presentation and welcomes the representatives from the University of Nevada, Las Vegas.**

**- University of Nevada, Las Vegas: 11:41 a.m.**

Gerry Bomotti, Senior Vice President of Finance and Business, and Don Snyder, Presidential Advisor for Strategic Initiatives, are introduced by Mr. Jessup. Mr. Jessup highlights that at UNLV they aspire to have an impact and be a top-tier university. They are currently on a landlocked campus without room for expansion. UNLV has an opportunity to obtain a 42-acre parcel that is the only large, contiguous piece of ground in close proximity to the current campus. Mr. Jessup states that UNLV is currently in the process of purchasing the parcel and hopes to conclude this process by the end of fall, but it needs approval from the Board of Regents to purchase that land. UNLV needs the land for a variety of purposes, one being to build a large stadium for the football team. UNLV

also needs research and teaching space, as well as additional housing for students and services for those students.

Mr. Bomotti states that the Thomas & Mack facility generally ranks in the top 10 to 15 nationally for commercial events and in about the top 25 internationally. The venue generates about \$33 million in gross revenue every year, and 16 percent comes from UNLV activities. The Thomas & Mack and Sam Boyd activities generate revenue for the university that goes back to support UNLV athletics. Without those venues, UNLV athletics would lose about \$5 million a year. Renovations to Thomas & Mack were estimated at \$72 million as it is a 32-year-old facility. Sam Boyd recently widened the field, so it was regulation for rugby and soccer; it also received new turf that is certified for rugby, soccer and football.

Mr. Snyder reviews the recent history of trying to establish a new UNLV stadium. It goes back a little over five years with conversations starting with Majestic Realty (Majestic) engaging in possibilities with the university. Majestic had spoken with a few members of the UNLV Foundation and approached the president about a stadium. The initial conversations were focused on a facility modeled after a flexible seating stadium, but that idea quickly morphed into a domed stadium that could seat 50,000 to 55,000 attendees. Mr. Snyder states that these discussions took place in 2013, but the university ultimately ended its relationship with Majestic due to the project needing to have broader engagement with the resort industry and community.

Mr. Snyder shows that adding 42 acres on top of the 330 acres that the current campus has as its footprint will be a substantial increase. The proximity to the Las Vegas Strip makes the location attractive for connecting to the community. Mr. Snyder states the county land is restricted as to what can be constructed on it. However, the addition would not only provide an important and effective bridge from the main campus to the new parcel, but it would also enhance the visual experience during the transition from and to the adjacent airport.

The benefits of a new stadium include stimulating employment and economic impact, and providing a neutral site for larger events. It will allow them to attract new special events and provide media exposure for Las Vegas. Mr. Snyder stresses that in order to have a great community, there needs to be a great university connected to it, and a new stadium would be part of that. Building a new stadium is fundamental to UNLV's plan to become a top-tier university, but it would have to be a public-private partnership. The business model would also require help from the state.

Mr. Snyder shows a quote from Dr. Mark Rosentraub, a leading academic in sport facilities. Mr. Rosentraub typically argues against these types of facilities being developed in a public-private partnership. However, in his quote presented by Mr. Snyder, Mr. Rosentraub notes why a new stadium would be beneficial for Las Vegas, justifying Mr. Snyder's argument.

Chairman Hill opens the floor to questions.

Mr. Markantonis poses a question in regards to the report by Dr. Mark Rosentraub about whether the stadium would add to economic activity or whether it would just reposition economic activity by taking it away from something else in the state. Mr. Bomotti states that Las Vegas is unique and creating a new venue would add incremental activity in terms of new and larger events. If Las Vegas does not have the adequate venue for an event, Las Vegas will in essence lose it to Dallas and other places that are capable of hosting these larger events.

Mr. Sloan states that it is increasingly important to understand the sources of financing, especially since taxes have already been created and raised during the last legislative session.

Mr. Hornbuckle raises a question regarding the scale and scope of the stadium UNLV is dedicated to building. From a community point of view, Mr. Snyder feels that if the university is going to build this facility, there is an obligation do it in a way that maximizes the value to the community and the resort industry. A facility that is large enough to attract these types of events while meeting the community's needs over the next 30 to 40 years needs to be a facility that can seat 55,000 to 60,000 people. Mr. Snyder cannot imagine building a facility in Las Vegas that is not covered. One advantage he finds is that Las Vegas does not need the NFL dictating economics, and UNLV would prefer to partner with the resort industry and community with hopes that in the future NFL events such as the Super Bowl would come to Las Vegas.

Ms. McMillan asks what the remaining charge is of the CIAB (Campus Improvement Authority Board) between now and when the Legislature meets in 2017. Mr. Snyder says the Legislature continued the CIAB and the membership for an additional two years with the charge to produce a report by September 30, 2016, so the 2017 Legislature could act on it as they did in 2015. That committee is informally scheduled to start meeting in early 2016, which was positioned prior to the executive order that created the SNTIC. He feels it would confuse the process to have two groups who do not collaborate, and he feels they need a way to come together.

Chairman Hill asks if there has been a significant traffic study done in regards to plans for a UNLV stadium. Mr. Snyder says there were substantial consultants involved and studies done on traffic and airport-related issues, and he would be pleased to provide that information.

Chairman Hill closes Agenda Item 6c.

**d. Competitive Landscape: 1:01 p.m.**

Mr. Bill Rhoda is the President of Legends Global Planning and has worked on the majority of professional sport arenas, including 31 of the 32 NFL stadiums that have been built in this country, and over 75 collegiate athletic venues. For Las Vegas, there are about two million people in the consolidated statistical area. This is important when

talking about venues in this marketplace. Dallas, Houston, Indianapolis and New York would be the competition for the type of non-recurring major stadium events that Las Vegas would compete with. From a market perspective of collegiate facilities, Las Vegas would compare with north Texas, Minnesota, and Texas A&M.

Las Vegas is a small market in terms of population and corporations but it has a unique nature when looking at the industry jobs, specifically the percentage of jobs in leisure and hospitality. The volume of out-of-town visitors is something most other competitive locations do not have; it is a competitive advantage for southern Nevada. The number of hotel rooms also separates Las Vegas in regards to infrastructure. Las Vegas has an abundance of small- to mid-sized arenas, but the one thing missing is a large-sized venue. Thomas & Mack has 17,000 seats, Cox Pavilion has 2,500 seats, Sam Boyd has 34,000 seats, Orleans Arena has 9,000 seats and the new MGM arena will open up next year with 20,000 seats. About 84 percent of the revenue for Thomas & Mack, Sam Boyd and Cox is from non-UNLV events.

In terms of comparable venues, Las Vegas is ranked 31<sup>st</sup> in the country in terms of population for top markets and is the largest market that does not currently have a professional sports franchise. In fact, the majority of other markets have multiple sports franchises, which suggests Las Vegas's has the ability to support an NHL or NBA team.

The public-private funding allocation for NBA and NHL venues differ dramatically around the country. Square footage of these buildings is important to ensure the accommodation of an NBA or NHL team. The average size is about 700,000 square feet. The cost of these buildings has increased greatly, so venues had to reduce their square footage.

Some of the comparable buildings that compete for major events that could occur in Las Vegas include AT&T Stadium in Arlington, Texas, which does four to five concerts per year, college football, WWE and soccer games. The capacity of this building is less than 80,000 but can go up to 100,000 with temporary seating and standing room. It is a three-million-square-foot building, which makes it one of the largest buildings in the U.S., and it was built for about \$1.2 billion in 2009. The City of Arlington contributed 36 percent of the actual debt. AT&T Stadium hosts anywhere from 12 to 20 major ticketed events that draw a significant amount of people into the Dallas-Fort Worth metroplex who in turn spend a great deal of money.

Mr. Rhoda points out University of Phoenix Stadium as a neighboring competitor for the types of events in this area. The stadium is a 62,000-seat venue and about 1.7 million square feet. The facility was built for about \$443 million before costs started to escalate. The majority of this stadium was publicly financed.

The competition nationally for comparable types of events for convention centers includes about 14 venues. The important thing is that most of the markets are planning an expansion or renovation to their buildings. In terms of prime exhibition space, Chicago ranks first at 2.6 million square feet and is building an arena attached to the

outside of the convention center that will be operated by the center. The Las Vegas Convention Center ranks third with 1.9 million square feet of prime exhibit space.

Ballroom space is something the Las Vegas Convention Center does not have, whereas others do. Mr. Rhoda stresses that meeting space is becoming incredibly important. Orlando has 420,000 square feet of meeting space while Las Vegas has 242,000 square feet. When looking at the comparison to the industry, Las Vegas is much higher both in exhibition space and meeting space, but it lacks the ballroom space.

One of the critically important things when any community thinks about the expansion and development of a convention center is its ability to accommodate the events through the hotels. Las Vegas has the highest hotel inventory within a half-mile of the Las Vegas Convention Center.

Mr. Rhoda states the reasons for why communities build these large facilities are for professional sports, economic impact and value these teams bring. Las Vegas is different in that it has the ability to leverage and capitalize on events unlike other markets. People stay longer, thus are more likely to come and spend more money. The economic impact we see from these types of venues is significantly higher in Las Vegas than in any other market.

Looking at the Las Vegas Arena, the construction period will produce 1,500 direct jobs and wages of almost a half-billion dollars in the local community. On an annual recurring basis, it will generate about \$600 million of total economic activity, including direct spending, and indirect and induced impacts, and that generates about \$43 million of public tax revenue for the community.

The convention center has the largest impact, at about \$1.6 billion on the local community and the expansion would provide an extra \$700 million of economic impact. The loss of one mid-sized tradeshow equates to about a \$72 million economic loss for the local community.

A domed, multipurpose stadium will generate more economic activity than an open-air stadium. From the construction perspective, a domed building would cost almost \$900 million and an open-air stadium about \$700 million. Between 4,700 and 6,000 jobs would be created during the construction period, and personal income would be about \$337 to \$430 million depending on the type of venue that was built. In regards to annual recurring economic impact, a domed stadium would bring in about \$677 million and an open-air stadium would generate approximately \$276 million in economic impact. There is a variance of about \$401 million because the domed stadium has the ability to do large non-recurring events year-round that have a significant amount of people coming directly because of those events. From a tax standpoint, about \$37 million would be generated on an annual basis for a domed stadium and \$15 million for an open-air venue.

Chairman Hill opens the floor for questions.

Mr. Hornbuckle asks what type of stadium Mr. Rhoda thinks the community needs and at what scale. Mr. Rhoda does not think the community needs another arena. He does believe the community's need would be placed in a multipurpose stadium that could accommodate UNLV's events, as well as a convention center expansion. Both of those projects would have a significant impact. The size and magnitude will come down to financing. A domed stadium could do more events given the nature of the Las Vegas market.

Mr. Sloan asks what percent of people who attend these stadium events live locally. Mr. Rhoda states the majority of NFL buildings are bringing in locals whereas about 10 to 20 percent come from out of state. If UNLV becomes part of a power conference, he thinks the university would see a significant increase in attendance since the travel for those teams would be much more significant in this market than any other market. Third-party events would have a much higher percentage of non-local people here than other buildings around the country.

Mayor Goodman asks if there will be a change in what the younger generation looks for in terms of types of sports. Mr. Rhoda highlights that millennials are one-fourth of our population and their average income is \$30,000. Sport teams are having to cater to this by downsizing buildings and changing how they attract younger consumers. Mr. Rhoda is not seeing a dramatic change in which sports are leading. The NFL still routinely sells out with the NBA being second. The league that is growing the most and probably attracts a significant amount of millennials is Major League Soccer.

Mayor Goodman asks how many football stadiums are convertible to soccer-size fields. Mr. Rhoda says they are all convertible, but it is just a question of what impact it has on the field width. The real problem with newer buildings that accommodate MLS teams is their capacity of 60,000 to 70,000 seats. The average MLS building is only about 18,000 to 20,000 seats.

Chairman Hill poses a question regarding any trends in analysis for specific locations that make sense from a cost-benefit standpoint. Mr. Rhoda says a lot of stadiums are built because of the leverage professional teams have. This would make Las Vegas unique in that there is not a specific team driving the decision to build a stadium, which will allow the facility to have a much more significant impact on the economy than those venues do in other markets.

Chairman Hill closes Agenda item 5d.

**e. Event Promoter Panel: 1:38 p.m.**

The panelists include Ken Hudgens with Feld Motor Sports, Rob Cornelius with USA Sevens-Rugby, Kurt Melien with Live Nation, John Nelson with AEG Live and John Saccenti with ESPN Events.

Mr. Hudgens is with Feld Motor Sports, a division of Feld Entertainment, which produced of Siegfried and Roy for several years and bought what was the motor sports division of Live Nation in 2008. Feld Motor Sports is comprised of two touring events Monster Jam and Super Cross. Feld Motor Sports does 200 events every year in nearly every major market, including 45 stadiums in the U.S. and abroad. They have been doing motor sports events in Las Vegas for over 20 years and currently produce three championship events at Sam Boyd Stadium. On average, they will bring in 100,000 paid spectators, 95 percent of those will come from out of state, generating an economic impact of \$100 million per year.

Mr. Rob Cornelius brought the USA Sevens to Las Vegas from San Diego five years ago. Their platform is global, so they start on a multi-tiered level working with world rugby on how they can promote the Las Vegas market. The rugby brand and series is now in 10 countries and is the fastest-growing sport in America. Right now Las Vegas is their biggest event. Last year USA Sevens had over 75,000 attend with over 28 percent from outside of the United States market. USA Sevens had no broadcast partner when they first came to Las Vegas but now are partners with NBC Sports that allows the games to be viewed in over 400 million homes in 147 different countries.

Mr. Cornelius states the USA Sevens work with USA Rugby, the governing body, to draw more international fans. In Las Vegas, USA Sevens host spin off events that center on the growing culture of their events. With the globally growing interest for this sport, there is potential for teams to come to the United States, but they need adequate venues to play in.

Mr. John Saccenti is the executive director of the Las Vegas Bowl and also an employee of ESPN Events. Las Vegas Bowl was created in 1992 by a group of individuals who were trying to fill a window when people were not traveling to Las Vegas. After roughly 11 years, ESPN Events formed and bought the bowl game from the Las Vegas Convention and Visitors Authority. Since the bowl game was acquired, ESPN Events has now grown to 25 events across the country that are owned and operated. Fifteen of those are football events; 13 are bowl games. They also own 10 basketball events, which are three- to four-day events, but there are a couple where they do a champion classic, rotating between two cities.

Mr. Nelson describes AEG as an international venue operator and developer with three different subsidiary companies. The division he has worked for in Las Vegas for the last 15 years is AEG Live, which produces festivals around the world, concert tours and long-term resident shows in Las Vegas. AEG has over 14 years in Las Vegas events, primarily at the Colosseum and Caesars Palace and has attracted nearly eight million visitors to Las Vegas with over \$1.5 billion in direct spending on the shows. AEG has also recently engaged with MGM in building the new Las Vegas Arena.

Mr. Melien from Live Nation describes the company as the largest concert promoter in the world broken up into three divisions: the concert promotion division, the artist management division and Ticketmaster, the dominant ticketing platform around the

world. Live Nation has about 250 major artist managers who operate under Live Nation regularly for concerts and concert promotion. They do about 40 million tickets in North America a year and about 25,000 events. Live Nation produces and promotes events at the Axis Theater and delivers about 35 to 40 shows across the city.

Mr. Christenson asks panelists to address their challenges with the current stadium and how they would see their events expanding if there was an updated stadium.

Mr. Hudgens states that Sam Boyd has no capacity for championship events with room for only about 30,000 attendees. One way for Feld to drive revenue is to increase the average ticket price. For Monster Jam the average ticket price domestically is \$18, but in Vegas it is \$100. For Super Cross the average ticket is \$30, and in Vegas it is \$85. This price fluctuation is not going to allow the events to prosper long-term. Also, they are spending a great deal of money to create an infrastructure in order to produce these events on the stadium footprint. Mr. Hudgens expresses that there is not any funding for events like theirs long-term.

Capacity wise, Mr. Hudgens's company is looking for something similar to Lucas Oil Stadium. It has a retractable roof, artificial turf that is ideal for event flexibility, great amenities and a convention facility attached to the stadium. Having enough room outside the stadium to activate and allow the event to expand is vital. Mr. Hudgen's would put capacity ahead of amenities. A 60,000 to 70,000 seat stadium is optimal. This would allow them to grow their event from 30,000 to 70,000 attendees immediately just because they can lower ticket prices.

Mr. Saccenti feels having a larger stadium is key. The Las Vegas Bowl has hit a point where it cannot grow any more. The price to secure conference teams is increasing, and the bowl is paying \$3 million for the teams to come to Las Vegas. The lack of capacity has also hindered the event from growing their business in Las Vegas. They need more seats to sell tickets at an affordable price in Las Vegas. ESPN Events would like to make Las Vegas a neutral field championship game site and they cannot do that with the existing facilities. It is very difficult hosting an event at Sam Boyd because attendees get dropped off by cab and the cabs cannot pick them back up.

Mr. Saccenti feels the stadium absolutely has to be covered due to the climate, with the ability to seat about 50,000 to 55,000. Having the amenities, suites and club levels is critical to maximize revenue. ESPN Events has 25 events throughout the country and have no problem selling the most expensive tickets.

Mr. Nelson feels that Las Vegas has not had a rich history of large-scale outdoor music events. One reason is the nature of the facility at Sam Boyd and its lack of capacity, but another reason involves the inherent pressure to downsize entertainment events to accommodate smaller facilities in Las Vegas in an attempt to create intimate and unique experiences for fans. The development of a new stadium in Las Vegas could expect three to five large-scale outdoor concerts per year.



Mr. Melien feels that the current trend for outdoor festivals does not look like it will change.

Chairman Hill opens the panel to questions.

Mayor Goodman agrees with the panel that there needs to be an easily accessible venue, which can host events that younger generations can afford. We need to be building for future generations.

Mr. Noonan asks what percentage of college students use these facilities for their events. Mr. Hudgens says when Monster Jam is playing at college stadiums a majority of attendees are students because it is close to campus and not very expensive.

Mayor Goodman speaks of trying to get a soccer franchise, which fell through. She feels that there is a lot of public support and there is a need to go to the public who live off the tourist dollar and educate them on these issues, as other cities want this business.

Chairman Hill asks if there is a certain place the panel would want a stadium as far as location. As close to the Strip as possible is the consensus among the panelists.

Chairman Hill closes Agenda item 5e.

**f. Downtown Events Center/Stadium Panel: 2:44 p.m.**

Mr. Bill Arent is the Economic and Urban Development Director for the City of Las Vegas. Downtown is seeing a surge in attraction from both locals and visitors. As far as promoting, Downtown Las Vegas is diversifying its entertainment experience, including Fremont East entertainment district and Symphony Park. Fremont East is a six-square-block area; it is unique in that it does not have gaming. It is an entertainment district with taverns, nightclubs and restaurants. Mr. Arent states that Fremont East now has more than 70 business in the district. The Fremont East Entertainment District is comprised of six blocks that focuses on bringing music events downtown, such as Life is Beautiful.

Almost 90 percent of the visitors to the Neon Museum are from out of state, accounting for 85,000 visitors this past year. The Mob Museum brings in over 270,000 visitors annually with over 80 percent from out of state.

There are about 1.7 million visitors in the downtown corridor this past fiscal year. Mr. Arent notes the city has been spending a lot of time coordinating where to invest in assets. One investment is Cashman, which has the potential to be over 70 acres due to the city owning a number of properties around the center. Cashman is home to the 51's baseball team, but given the condition of the facility, new investments need to be made.

Mr. David Abrams, Principal of Strategic Advisory Group, believes the most critical factor to address is maintaining both the needs of the community and visitors. Mr. Abrams stresses that revitalization and evaluating other key markets and how they

embrace younger demographics is important. He notes that Las Vegas needs to assess the market demand and identify the facilities needed as well as how to get people in and out with ease. Orlando is a great market to compare to since it has an urban core separated by its main draws, Disney World and Universal Studios. The investment that Orlando has made to put sports and performing arts facilities in the downtown corridor has helped to revitalize its downtown.

Mr. Laus Abdo, the Executive Director of AGP Capital, notes the City of Las Vegas will explore new opportunities while working closely with the LVCVA. Mr. Abdo believes the city needs to look to new events since the major competitor, Orlando, has already eclipsed the 60 million visitor mark, which was the conservative projection in Las Vegas for 2050. Mr. Abdo also notes that Las Vegas is seeing a younger demographic who have particular interest in downtowns. Additionally, professional sports like soccer are important because of its potential to attract visitors. Mr. Abdo believes a new soccer stadium will be beneficial to Las Vegas because soccer has international appeal that can bring more international flights while appealing to millennials. Soccer has the highest draw of millennials than any other sport.

Mr. Abdo states that the Ader Group, an investment firm, is proposing to build a soccer-specific stadium in downtown Las Vegas, and Cashman Field is an area of great interest for them given that the 51s have made it known that they would like to relocate to Summerlin. Additionally, the Ader Group is prepared to build a stadium to capitalize on the growing popularity and demand for soccer locally, nationally and internationally. Las Vegas is known for star power, so Mr. Abdo believes if they put the right star power on the field, they are going to have fans that travel to Las Vegas to see top talent on the field. The Ader Group is looking to privately fund a stadium, but their request is to have some sort of public transportation station at that stadium that would allow them to get people in and out efficiently while also connecting them to the airport, UNLV and the resort corridor. They would also like to have some added capacity on the local roadways leading to and from Cashman Field.

Mr. Jorge Cervantes, the Executive Director of Community Development for the City of Las Vegas, states the city has implemented a mobility master plan study and is concentrating on how to provide improved mobility downtown. Mr. Cervantes found the amount of investment is about \$3 billion but is concentrated in the downtown area such as Interstate 15, which carries about 250,000 vehicles per day. Once improvements are completed on Interstate 15, it will carry about 400,000 vehicles per day, and part of the improvements is creating a new off ramp for the expressway to get directly to downtown.

The City of Las Vegas is working on creating a new interchange off of City Parkway that would carry the third lane through and be able to better access downtown and Cashman Field. Mr. Cervantes states the investment is about \$50 million. Regional improvements will include a light rail system to service the resort corridor and connect not only to downtown but ultimately to Cashman, where there will be multi-modal transportation

hubs. The city is pursuing a circulator that would provide service between the different downtown districts free of charge.

Ms. Fretwell states that access is critically important to venues and events. The two recommendations made for consideration are: (1) focus on the light rail transit system that would include the Maryland corridor, the Las Vegas Boulevard resort corridor and (2) a multi-modal transit hub at Cashman Center. Also, the connectivity along Interstate 15 is critically important as well as the interchange at City Parkway for additional downtown access.

Vice Chairman Mr. Jessup opens the floor to questions.

Mr. Markantonis asks for specifics regarding the facility that the Ader Group plans to build at Cashman field. Mr. Abdo states the total facility at Cashman Field proposed would be a 22,000 seat, soccer-specific stadium with appropriate amenities. The Ader Group is also proposing to redevelop the corridor as a mixed use masterplan and provide attainable housing and amenities to support residents. Mr. Markantonis asks what the build time would be for this facility. Mr. Abdo states that MLS is expected to begin awarding franchises again in 2020. The build time on a stadium would be a couple years after Las Vegas was awarded a team.

Mayor Goodman asks if Project Neon is fully funded. Mr. Cervantes states that it is and they will begin construction in early 2016. It will take about three to four years to complete all the improvements from Sahara to the Spaghetti Bowl.

Chairman Hill closes Agenda Item 5f.

**g. Event Venues Have Many Forms Panel: 3:17 p.m.**

Mr. Dale Eeles of Las Vegas Events introduces Steve Stallworth with the South Point Arena and Equestrian Center, Chris Powell with Las Vegas Motor Speedway, and Andre Filosi and Rex Berman with The Orleans Arena.

Mr. Powell says the core of his business and motor sports racing events promoted by his company typically draw between 130,000 to 150,000 visitors. The economic impact has consistently increased and hovered around \$200 to \$230 million per year. Mr. Powell says the most interesting event at Las Vegas Motor Speedway has been the Electric Daisy Carnival (EDC), which brings 135,000 attendees and has brought a substantial amount of revenue to the valley.

Mr. Filosi indicates that the Orleans Arena initially focused on concerts, hockey and community events, but has since evolved. The Orleans Arena now hosts an abundance of diverse events such as curling. The Orleans Arena is preparing to announce that it will be hosting a world curling cup, which will bring 80 teams to Las Vegas.

Mr. Stallworth says this year the arena and related facilities at the South Point will do 40 weeks of equestrian events that will drive about 40,000 room nights at the South Point. The South Point also recently built two more competition areas as well as a bowling facility. Mr. Stallworth says the South Point hosts the largest archery event in the United States and two large BMX events that are the second-largest in the country. Their biggest success is the World Series of Team Roping event that takes place during the National Finals Rodeo and brings in 3,600 horses and paid out \$10 million last year. With the opening of the new bowling venue they are expecting around 95,000 bowlers for the men's competition.

Mr. Eeles asks the panel what challenges they face in their venues.

Mr. Powell states a current challenge at the Las Vegas Speedway is infrastructure, such as accommodating traffic from Interstate 15. They need additional lanes on Interstate 15 as well as a spur around the National Guard armory from the Aliante direction toward Speedway Boulevard that will help to get people from the west side of the valley to the Las Vegas Speedway

Mr. Filosi says one of their challenges is getting content in their facility. It is difficult for The Orleans Arena to compete with arenas that have more seating. Another challenge is the Live Entertainment Tax and how it affects charitable organizations who come to make profit at their event but taxes make this difficult.

Mr. Stallworth says the challenges faced by the South Point area include competing markets in different cities that have state funds for equestrian events.

Mr. Powell brings up the Live Entertainment Tax that the state will be charging as of October 1<sup>st</sup>. He thinks the state could have found a better way to enrich its coffers. Mr. Powell also says that a second NASCAR race in the fall would benefit the local economy, but Las Vegas Motor Speedway is also continuing to look for non-traditional revenue sources.

Chairman Hill opens the floor to questions.

Mr. Markantonis asks how Las Vegas can appeal to millennials and if there are events that the panel has recognized as being appealing to the younger generation. Mr. Powell says that millennials clearly enjoy EDC as much as the Las Vegas Motor Speedway enjoys hosting them. However, the younger generation is not enthusiastic about cars the way they used to be. Thus, the motorsports industry in general is struggling to keep the millennials' attention.

Chairman Hill closes Agenda Item 5g.

## **7. CLOSING COMMITTEE BUSINESS: 3:54 p.m.**

Chairman Hill invites Mr. Aguero for a brief preview of the October meeting. Mr. Aguero states the preview is in the packet he walked through earlier regarding information on convention centers, and given the time he will not be going through that in any additional detail unless Chairman Hill would like him to. He reminds everyone that all materials are provided on [sntic.org](http://sntic.org), which is the website for this specific committee.

Chairman Hill closes Agenda Item 7.

**8. COMMITTEE COMMENTS: 3:57 p.m.**

There are no comments from the committee. Chairman Hill closes Agenda Item 8.

**9. PUBLIC COMMENTS: 3:59 p.m.**

There are no comments from the public.

**10. ADJOURNMENT: 4:00 p.m.**

**MR. NOONAN MAKES THE MOTION TO ADJOURN THE BOARD MEETING.  
MR. MARKANTONIS SECONDS THE MOTION. THE MOTION IS PASSED  
UNANIMOUSLY.**