

Summary Packet of Information on Previous UNLV Related Reviews of Stadium Projects September 24, 2015

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CIAB-Campus Improvement Authority Board
 CSL- Conventions, Sports & Leisure



To: Southern Nevada Tourism Infrastructure Committee

From: Donald D. Snyder

Re: UNLV Stadium / Events Center -- Brief History and Chronology of the Past 5 Years

There has been extensive dialogue and efforts to advance the concept of a stadium / events center at UNLV in recent years. These discussions, while focused on a facility on the UNLV campus, all revolved around a project which would serve both UNLV and the broader community -- including the resort industry. This discussion used the Thomas and Mack center as the model -- serving UNLV, but where the vast majority of revenue comes from events hosted for the community.

Given the dialogue which began in 2010 and continued in one form, or another, until now, it may be helpful to have a brief recap of the history and chronology of this extensive dialogue:

Fall, 2010 through May, 2013: UNLVNow / Majestic Realty

Craig Cavileer, an executive with businesses (LV-based Silverton Casino and Southern California-based Majestic Realty) owned by Ed Roski, a major commercial real estate developer and community leader from Southern California, initiated conversations with UNLV and members of the UNLV Foundation about the concept of an on-campus stadium and related development. Several members of the UNLV Foundation with significant real estate development experience volunteered to serve on a Development Advisory Board ("DAB") providing advise and counsel to the UNLV President. The DAB provided strong support to UNLV throughout this phase.

Those initial conversations focused on a flexible seating capacity facility (5,000 to 35,000 seats) to accommodate different types of events, fashioned after a similar facility in Japan. Those early conversations also included the concept of a second, separate on-campus development of a "Student Village" with housing and retail.

The concept for the stadium evolved from the early flexible seating concept to the "Mega Events Center" -- a multi-purpose covered stadium which could accommodate 55,000 to 60,000 guests, with a full range of entertainment and hosting amenities. While smaller than Cowboy Stadium in Texas, it was, in concept and aspiration, to be a direct competitor for staging a full range of large events -- events which cannot be accommodated by existing facilities in Southern Nevada.

The relationship between UNLV and Majestic Realty was formalized initially in a Preliminary Assessment Agreement ("PAA") in February, 2011, followed by an Exclusive Negotiation Agreement ("ENA") executed in July 2012. That ENA and the relationship it created with Majestic was terminated by UNLV in May, 2013, following a Notice of Termination issued in March, 2013.

It was increasingly clear to UNLV officials in early 2013 that many elements of the Mega Events Center ("MEC") did not have the level of stakeholder support needed. There was not sufficient consensus concerning the scale, scope and some elements of the project; and total estimated costs had reached roughly \$1 billion, a number which elevated concerns for some stakeholders. Following a report from the consultant "Sterling Project Development", UNLV made the decision to terminate the ENA after reviewing and evaluating the recommendations in the report, including specifically:

".... the University should re-engage with the LVCVA, as well as the hotel industry, to gauge the nature and extent of their support for the Mega Events Center. Central to those discussions will be the establishment of a basic program outlining the size and scale of the project....."

More generally, there was also valuable information about the MEC produced by experts from the University of Michigan's Center for Sport Management (the "Rosentraub" report). Information from that report will be referenced during our UNLV presentation in the September 24th meeting. We are including in the material being provided in advance of the meeting, a report on the MEC which gives a very good overall summary of the project -- the Hobbs, Ong & Associates report entitled "Mega-Events Center at UNLV". This report summarizes relevant aspects of the Rosentraub report, and importantly, adds its own valuable analysis to substantiate and support the Rosentraub findings. We will, of course, provide full copies of all reports referenced if requested.

Following the termination of the ENA, it should be noted that Majestic continued, for a short period toward the end of the 2013 Legislative Session, to independently pursue their MEC concept. This included them taking a short term option on the 42 acre parcel on Tropicana which UNLV has subsequently optioned in 2015.

With the Campus Improvement Authority Board ("CIAB"), created by passage of Speaker Kirkpatrick's AB 335 at the end of the 2013 Legislative Session, the UNLV Now phase of this project ended and that legislation charted the path for the project to enter the next distinct phase.

June, 2013 through September, 2014: The Campus Improvement Authority Board.

With the approval of AB 335 by the Legislature in May, 2013, and the subsequent signing into law by Governor Sandoval, the CIAB was created, with the goal of bringing key stakeholders to the table and discuss this issue in a public forum. The mandate for

the CIAB was to study the need for, the feasibility of, and the financing alternatives for a large events center (the multi-purpose stadium) and related infrastructure / supporting improvements. The legislation required the CIAB to submit a "Final Report", with recommendations, to the Legislative Counsel Bureau by September 30, 2014, to enable consideration in the 78th Session of the Nevada Legislature earlier this year.

An 11 member Board was seated and its schedule of meetings was initiated in October, 2013. The CIAB approved its Final Report in September, 2014, submitting it to the Legislative Counsel Bureau by the September 30, 2014 deadline.

An objective of AB 335 was to create, in the composition of the Board, a diverse group of members representing stakeholder of a stadium / events center project. That membership is detailed below:

Board of Regents appointments (4 members): Regents Cedric Crear, James Dean Leavitt, and Michael Wixom, as well as UNLV's Don Snyder (who was elected to serve as Chairman of the CIAB).

LVCVA appointments (3 members): Paul Chakmak (Boyd Gaming and who resigned from the CIAB in September, 2014), Rick Arpin (MGM Resorts) and Sean McBurney (Caesars Entertainment).

Governor appointment (1 member): Dallas Haun (Nevada State Bank).

Speaker of the Assembly appointment (1 member): Kim Sinatra (Wynn Resorts).

Senate Majority Leader appointment (1 member): Kirk Hendrick (UFC).

Clark County Commission (1 member): Commissioner Chris Giunchigliani.

The work of the CIAB was facilitated by Convention Sports & Leisure ("CSL"), a very highly regarded consultant, with extensive experience in this type of project. There were a series of 17 public meetings of the CIAB, beginning in October, 2013, and concluding in September, 2014, including two public workshops in which provided valuable input from multiple stakeholders who produce, host, and sponsor major events. Throughout this period, there were also many one-on-one meetings with stakeholders.

A copy of the summary of the final report facilitated for the CIAB by CSL is included with the material being provided to you for our presentation on September 24th. In short, that report indicated that the CIAB established a demonstrated need for a new stadium / large events center, but that it was not the right time to proceed. Instead, the CIAB recommended that the 78th Legislature approve legislation to continue the work of the CIAB for an additional two years. The legislation then approved and enacted into law was AB 451.

June, 2015 and beyond: AB 451 and the continuation of the CIAB.

AB 451 became the basis for the Legislature to act during the 2015 Legislative Session. It was approved and signed into law by Governor Sandoval at the end of the Session. In summary, AB 451 made a few key changes to what had been in 2013's AB 335, continuing its mandate for two years. A summary of those changes follows:

- Enlarged the boundaries which the Authority may evaluate as potential sites for a large events center (multi-use stadium), to include land within 1 1/2 miles of current campus boundaries. This enables consideration of the 42 acres on Tropicana, behind the MGM property which extends east of the Strip to Koval Lane.

- Extended the CIAB by two years, to October 1, 2017.

- Extended the terms of CIAB members.

- Requires a Final Report, with recommendations, to be submitted to the Legislature by September 30, 2016.

- Enables the CIAB to hold its meeting off-campus, but in the County.

CIAB Members have been advised that no Board meetings are expected before 2016. The Southern Nevada Tourism Infrastructure Committee may find it appropriate to consider the CIAB and its mandate in the context of its own mandate.

UNLV

BENEFITS OF A NEW STADIUM



HISTORY

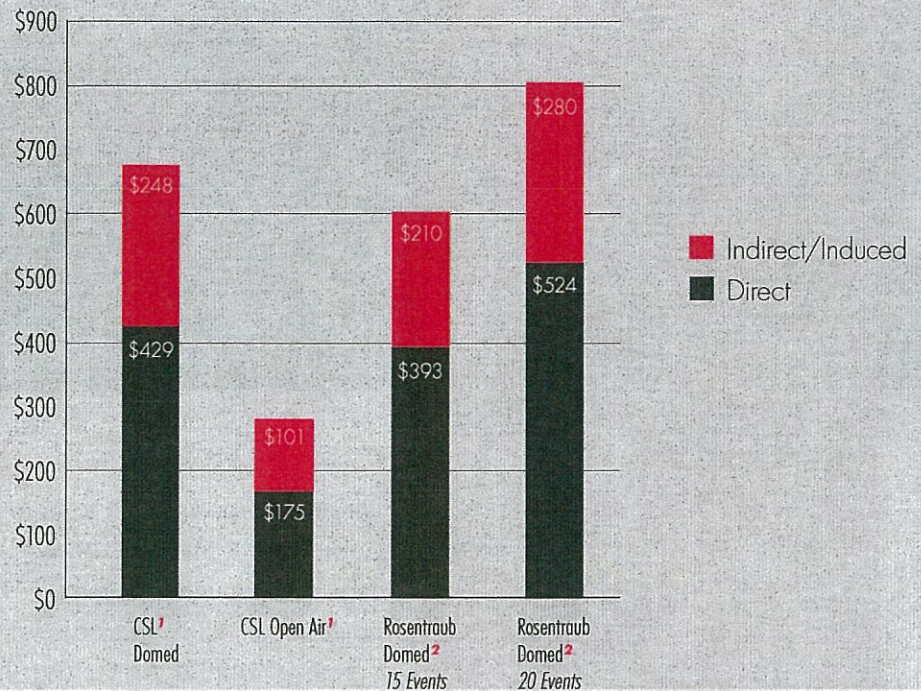
For many years UNLV's Runnin' Rebels played basketball at the Las Vegas Convention Center – a wonderful partner – before the community embraced the decision to build the Thomas & Mack Center. It changed the dynamics of the men's basketball program forever. The arena became part of the team's identity, a revenue enhancer for UNLV athletics, and part of the overall experience for the fans, the players, and the community. Today the Thomas & Mack Center has evolved into more than a basketball arena. Although a new concept 30 years ago when introduced, the Thomas & Mack has a history of success and is viewed as a neutral venue for special events that attract new business like the NBA Summer League in July, USA Basketball in August, the PBR World Finals in late fall, and the National Finals Rodeo in December. That same successful model can be utilized for a new stadium close to the Las Vegas Strip and as an extension of UNLV. In this case 1+1 equals more than 2. The benefits go far beyond the stadium itself, including construction jobs, service-industry jobs, new tax revenue, economic stimulus for the county and the state, and a facility the community and UNLV can use.



- Like the Thomas & Mack did for UNLV basketball, a new stadium will improve recruiting and enhance the competitiveness and financial performance of UNLV football and bring all of UNLV's athletic programs to campus.
- Besides energizing UNLV athletics and strengthening UNLV's connection with Las Vegas, the stadium will also create a true game-day experience for students, student athletes, alumni (many of whom live and work in Southern Nevada), and community.
- For a city that attracts visitors with a full range of activities and events, Las Vegas does not have a state-of-the-art venue to host events requiring more than 40,000 seats.
- The impact of a new stadium as an extension of the UNLV campus is projected to have significant economic benefit, even based on conservative financial models relative to the new events and visitors that Las Vegas will be able to attract (in addition to retaining existing activities).
- A UNLV stadium will boost employment and economic. *See the back of this sheet for projections.*

- Las Vegas has emerged as an international travel destination. A stadium just steps from the Las Vegas Strip will offer incredible opportunities to attract visitors, generate publicity for Las Vegas, and support UNLV and UNLV athletics.
- As the university matures, a stadium that is an extension of the campus will not only enhance the overall university experience, it will strengthen UNLV's role as the gathering place for education, arts, and athletics, providing another gateway to UNLV.
- UNLV's vision for the future is one with strong research and academic programs, a medical school that improves access to high quality health care, and a campus environment that enriches the student, alumni, and community experience. It's part of the overall strategy to become a Carnegie Tier One university.
- Tier One universities are research-focused, retain the brightest and best students, receive more federal grants and generate more economic development for the community. Most feature strong athletic programs that enhance the connection to the university.
- UNLV's goal as a university includes elevating our academic, research, and athletics programs. A stadium connected to the campus is consistent with this vision and master plan and necessary for the long-term success of UNLV athletics.
- The model for this strategy is evident in universities throughout the western part of the United States: Utah, Oregon, Arizona State, UCLA, Washington, and Colorado are examples.
- A great community needs a great university connected to that community and beyond. A new stadium associated with the campus will play a major role in that regard.

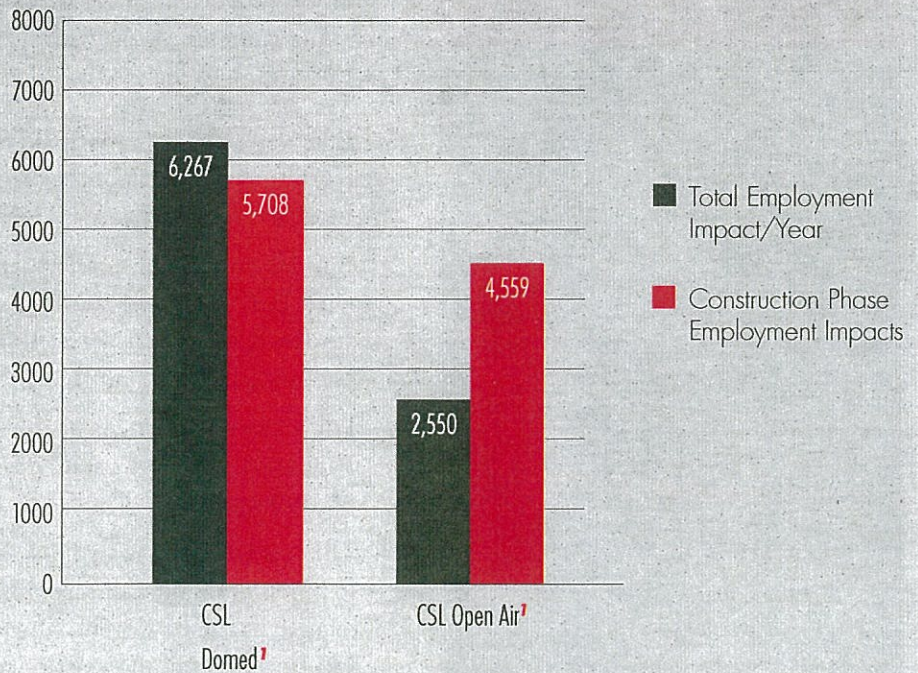
Projected Annual Economic Impact of Stadium - In Millions



¹CSL, 2014 report

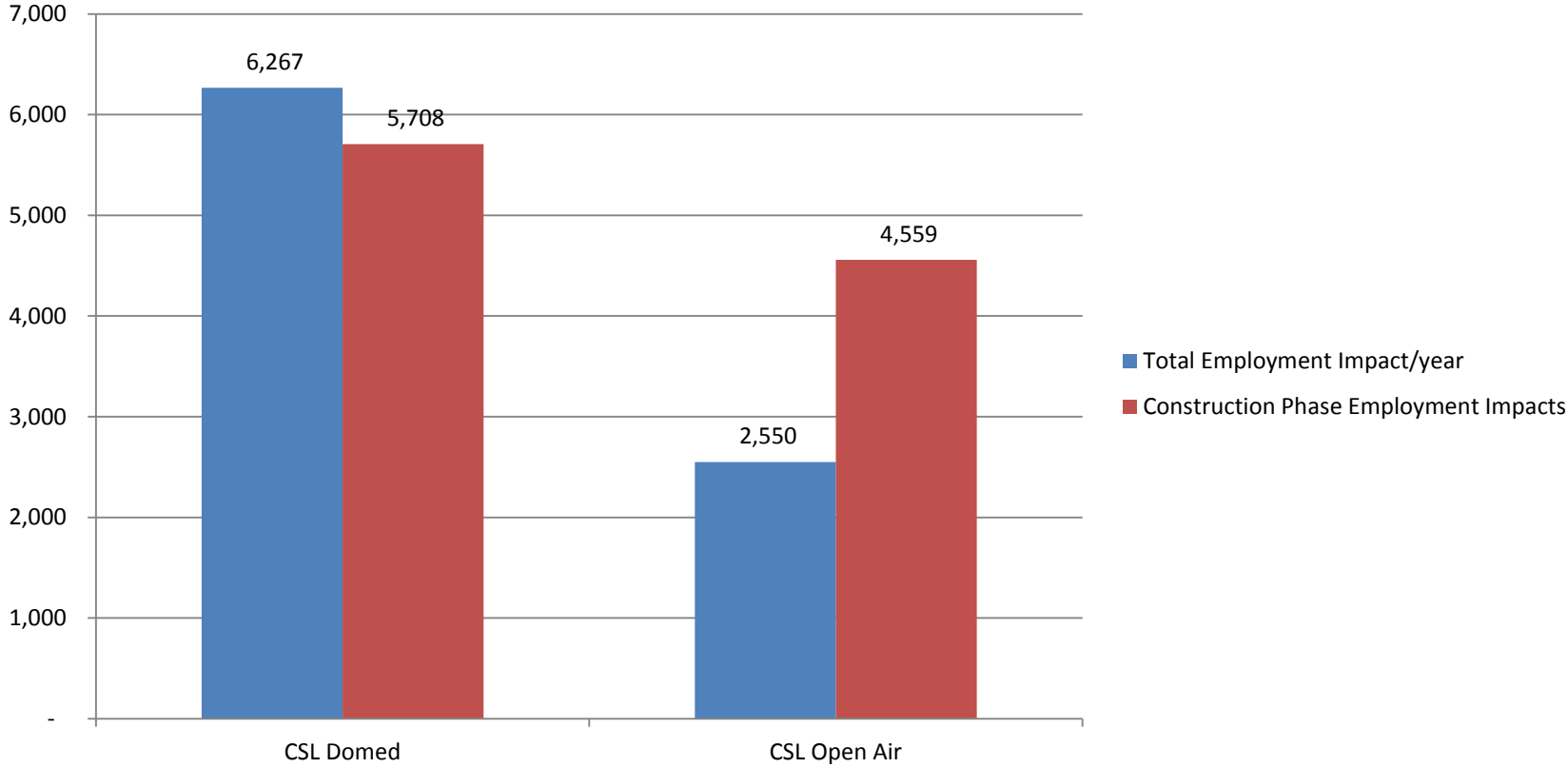
²Rosentraub Report, 2012

Stadium Employment Projections

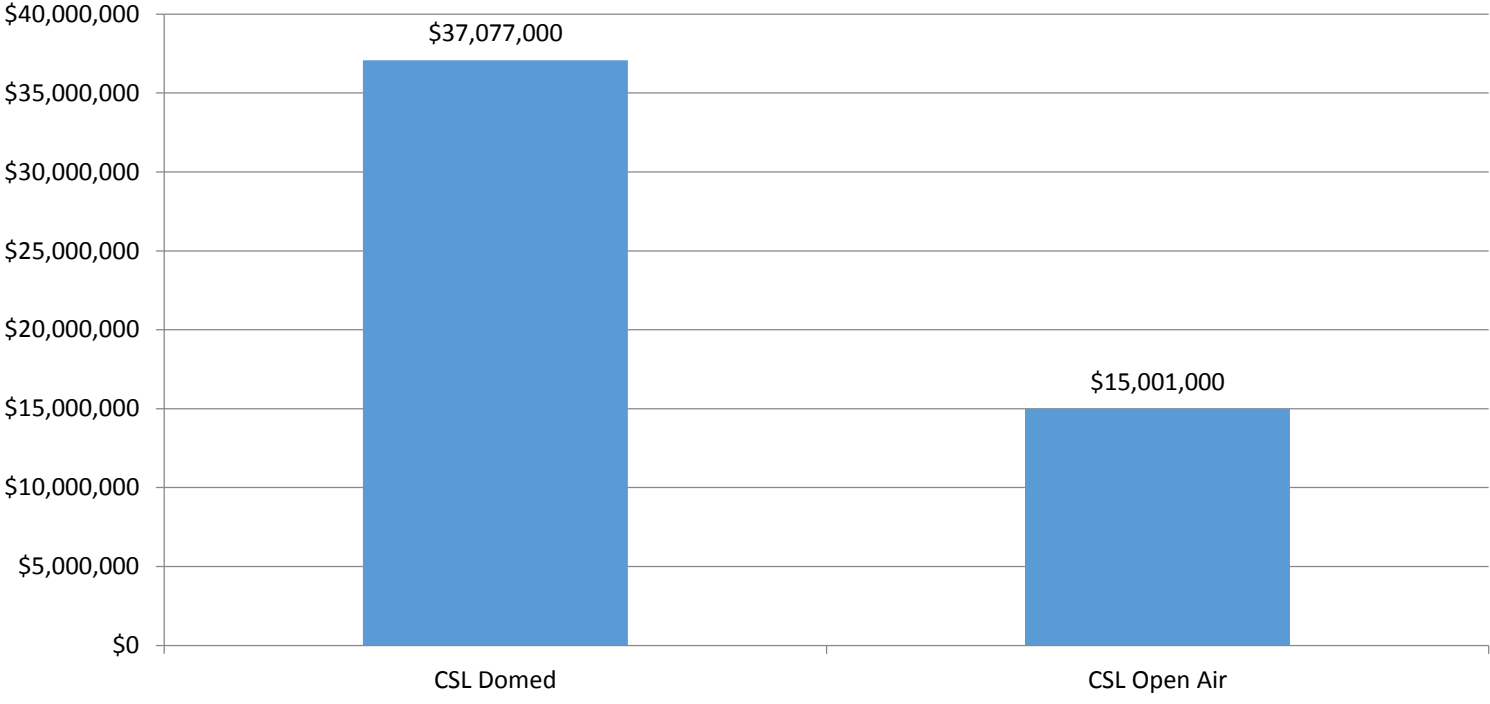


¹CSL, 2014 report

Stadium Employment Projections



Annual tax income collections



| | In Rosentraub List * | Current CSL List | |
|--|----------------------|------------------|------|
| | (Domed) | Domed | Open |
| <u>New Events to Attract Incremental Visitors: Rosentraub/CSL</u> | | | |
| PAC-12 FB Conference Championship Game (Dec) | X | | |
| NFL Exhibition Game (August) | X | | |
| New College Football Bowl Game (December)/New Bowl Game | X | 1 | 0 |
| Neutral Site College Football game (Fall)/Neutral Site College Football | X | 2 | 1 |
| Second Neutral Site College Football game (Fall) | X | | |
| International Soccer Festival (Summer)/International Soccer | X | 2 | 1 |
| Electronic Music Festival (2-3 days, summer) | X | | |
| Country Music Festival (either w/ACM weekend or another time) 2-3 days | X | | |
| Combatives/UFC, boxing, etc. | X | 2 | 0 |
| Tour Conert (summer)/Major Concerts | X | 2 | 1 |
| Tour Concert (second, summer) | X | | |
| Winter Kick Soccer Festival (February) | X | | |
| Rock Music Festival (summer)/Festivals | X | | |
| X Games (summer) | X | | |
| NFL Pro Bowl (January) | X | | |
| MWC Football Championship Game (December) | X | | |
| NFR Closing Event (December) | X | | |
| Wrestlemania | X | | |
| Republican or Democratic National Convention | X | | |
| NCAA Final Four Basketball Championships | X | | |
| Comic-Con | X | | |
| Boxing/Boxing | X | | |
| MLS All-Star Game | X | | |
| Corporate Events | X | | |
| /Signature Events | | | |
| /Major Non-Recuring | | | |
| OTHER | | 4 | 0 |
| <u>Existing Events at SBS:</u> | | | |
| UNLV Football | | 6 | 6 |
| Rugby | | 4 | 4 |
| Las Vegas Bowl | | 1 | 1 |
| Motorsports | | 3 | 3 |
| | Total (1) | 27 | 17 |
| (1) Does not include 75-100 "Cateered Events" | | | |
| <u>New Events that may not attract incremental visitors:</u> | | | |
| MLS | | 17 | 17 |
| | | 44 | 34 |
| *Note: Rosentraub list assumed a minimum of 15 of these events per year would occur, and they focused only on new events, not tranfer events from other venues (SBS, etc.) or new events for local consumption (MLS) | | | |
| <u>Note on Assumed Seating Capacity:</u> | | | |
| Rosentraub/Majestic Stadium | 55,000+ | | |
| CSL/CIAB State-of-the-Art Collegiate Stadium | 45,000 | | |
| CSL/CIAB Open-Air or Domed Stadium | 50,000 - 55,000 | | |

UNLV Campus Improvement Authority Board

Study of the Need for & Feasibility of a New Multi-Purpose On-Campus Stadium

September 25, 2014





CITY OF LAS VEGAS

Las Vegas is one of the premier entertainment destinations in the world, serving as host to approximately 40 million visitors annually. As Las Vegas has continued to evolve as a major world entertainment and tourist destination, many of the City's resorts and casinos have begun to develop new and innovative ways of attracting visitors to their properties by building state-of-the-art, on-site entertainment venues capable of hosting a variety of concerts, shows and sporting events.

SITUATION

The vision of UNLV is to become a Tier One – Carnegie Research Very High – institution with athletic, academic and campus experience consistent with its aspirational peers. Tier One universities are research focused with overall academic excellence, attract the brightest and best students and faculty, are committed to student success, receive more federal grants and generate more economic development for the community and the state. UNLV's goals as a university include elevating its academic and student success, research, and athletics programs. A new stadium connected to the campus, or as an extension of the campus, could enhance the experience for students, faculty, and the University community as a whole, as well as enhance the visibility of UNLV and its recruiting of students and faculty.

In addition to the needs of UNLV, there are also needs for a new state-of-the-art facility. Although the City currently offers a number of entertainment venues, in addition to the 18,776-seat Thomas & Mack Center and 36,800-seat Sam Boyd Stadium, it lacks a state-of-the-art major sports and entertainment venue capable of accommodating crowds in excess of 40,000. As such, Las Vegas is currently at a disadvantage when compared to other major US markets, such as Dallas/Ft. Worth, Houston, New York, San Francisco, New Orleans, and Phoenix, in its ability to attract major domestic and international sports and entertainment events. Events such as international soccer, Republican/Democratic National Convention(s), X Games, and NFL Pro Bowl attract visitors from all over the world who serve as drivers of incremental spending and tax revenue generation to an area. As competition for the entertainment dollars of patrons and corporations increases, it is vital that markets develop new ways of attracting visitors to the area.

As an outgrowth of this need, the University of Nevada, Las Vegas ("UNLV") worked with the legislative leadership in the 2013 legislative session to develop and finalize AB335, which called for the creation of a Campus Improvement Authority Board ("CIAB") to study the need for, feasibility of and financing alternatives for a large events center ("Stadium") on the UNLV campus. The CIAB, which consists of 11 members representing UNLV/Board of Regents, Clark County, the hotel/resort industry, and other business interests, engaged the project team consisting of Conventions, Sports & Leisure International ("CSL"), Legends, RCG Economics ("RCG"), Venue Solutions Group ("VSG) and Ted Ferris Consulting ("TFC") in order to address their legislative mandate contained in AB335 and finalize their report to the 78th Session of the Nevada Legislature which commences in 2015.

In order to assess the overall viability of the Stadium project, CSL has developed an approach that will answer a multitude of critical questions related to the development of the proposed Stadium, including but not limited to the following:

- Is there a need for a new Stadium in Las Vegas located on the UNLV campus?
- What is the appropriate Stadium design?
- How large should the Stadium be?
- What number and types of events can be hosted?
- How many premium seats can be supported?
- Is the Stadium project feasible?
- How much will the Stadium project cost?
- What infrastructure improvements are necessary?
- How will the Stadium project be financed?
- What alternate funding sources are available?
- How should the Legislature carry out the Stadium project recommendations?

The remainder of this executive summary presents key findings related to the analysis. The full report should be read in its entirety to obtain the background, methods and assumptions underlying the findings.

HISTORICAL UNLV VENUE ANALYSIS

In order to assess the impacts of a new on-campus multi-purpose stadium at UNLV, it is important to evaluate the current operations of the multiple facilities at UNLV. The following is a summary of key take-aways from an analysis of the historical operations of UNLV venues:

- Approximately one-third of the overall event activity at Sam Boyd Stadium consists of UNLV home football games, with the remaining two-thirds consisting of a variety of concerts, sporting events, motorsports, festivals and other uses.
- UNLV-related events have historically accounted for approximately 27 percent of event activity, 20 percent of total attendance, and 16 percent of total operating income at the Thomas & Mack Center.
- Historically, the Thomas & Mack Center has served as a neutral-site venue that retained and attracted new business to the area, including the NBA Summer League, USA Basketball, the PBR World Finals and the National Finals Rodeo.
- UNLV average home football game attendance of approximately 17,200 per game ranks among the lowest when compared to other Mountain West Conference and Pac-12 Conference peers.

LOCAL & REGIONAL MARKET CHARACTERISTICS / COMPETITIVE FACILITIES

An important component in assessing the potential success of a new stadium at UNLV is the demographic and socioeconomic profile of the local market. The strength of a market in terms of its ability to attract events, attract patrons and generate revenues is measured, to some extent, by the size of the regional market area population, its income characteristics and other demographic and socioeconomic factors. The following is a summary of key characteristics of the local and regional market:

- The Las Vegas CBSA is home to approximately two million residents with median income levels that are comparable to the U.S. as a whole. Although Las Vegas has a slightly higher unemployment rate than the nation as a whole, its cost of living is slightly lower than the national average, and the percentage of households with a median income in excess of \$100,000 is nearly double the national average.
- In general, Las Vegas' population, corporate base and income characteristics rank average or above-average when compared to other Mountain West Conference and Pac-12 Conference markets.
- Known as the "Entertainment Capital of the World", Las Vegas attracts approximately 40 million visitors annually, including 5.1 million convention attendees. Gaming revenue in Clark County totaled approximately \$9.7 billion in 2013.
- There are approximately 151,000 hotel rooms in Las Vegas, which are occupied approximately 84 percent of the time.
- Although there are currently a number of entertainment venues in Las Vegas, the market currently lacks a state-of-the-art venue capable of hosting large-scale events that attract crowds in excess of 40,000.
- It is envisioned that a new stadium would complement the portfolio of existing venues in the Las Vegas area, as there will be minimal competition to host the same type of events.

COMPARABLE FACILITY ANALYSIS

An assessment of the physical, operational and financial characteristics of newly constructed/renovated NFL and collegiate stadiums were reviewed to provide a benchmark from which to assess the market potential for the proposed stadium in Las Vegas. Key characteristics of newly constructed/renovated NFL and collegiate stadiums include the following:

- On average, comparable NFL stadiums opened in 2008, while the average collegiate stadium opened in 2011.
- Overall, the NFL stadiums have a larger average seating capacity (70,017) and total square footage (1.8 million) than collegiate stadiums, which have an average seating capacity and total square footage of 47,353 and 678,000, respectively.
- Given their larger size, generally higher level of finish and larger number that are enclosed/retractable, the cost to construct an NFL stadium can be as much as four-times higher than the average cost to construct a collegiate stadium. It should be noted that the cost to construct new state-of-the-art collegiate stadiums can approximate \$300 million to \$450 million (ie TCF Bank Stadium at the University of Minnesota and a major renovation to Kyle Field at Texas A&M University) excluding site and infrastructure cost.
- On average, NFL stadiums receive a significantly higher level of funding from the public sector (ie tax revenues) than collegiate stadiums, which are generally funded via major fundraising campaigns and other philanthropic endeavors. It should be noted that recent new, state-of-the-art collegiate stadiums have received increasing levels of public participation, including 45 percent (\$136 million) of the funding of TCF Bank Stadium in Minneapolis.
- NFL stadiums have an average of 169 luxury suites that cost approximately \$202,000 annually and approximately 9,800 club seats that cost approximately \$2,700 per year. Collegiate stadiums have an average suite inventory of 40 (\$44,000 annual cost) and club seat inventory of approximately 2,100 (\$1,500 annual cost). Given their large suite inventories, comparable NFL stadiums do not have loge boxes, while collegiate stadiums have an average loge box inventory of approximately 55, four-seat boxes (\$10,200 annual cost). Based on past collegiate stadium experience, loge boxes are the first premium products to sell out, and many universities have indicated that they wish they had built more loge boxes as part of their building programs.
- Although a limited number of NFL stadiums host a significant number of third party events (i.e. AT&T Stadium), the majority host a limited number of major events annually, and are mainly built to accommodate 10 home football games per year. In general, comparable collegiate stadiums also host a very limited number of third party events annually and are generally configured to accommodate between six and seven home football games per year.

MARKET SURVEYS

A total of approximately 2,100 email surveys were completed with UNLV Athletic and University constituents, and Chamber members to determine opinions and potential interest in attending events and purchasing tickets in a new stadium. In addition, approximately 350 email surveys were completed with members of the student body in order to understand how a new stadium could impact their attendance at UNLV home football games. Key findings include:

- Overall, UNLV constituents and Chamber members attend approximately 1.8 home football games each year. The average UNLV student attends approximately three games per year.
- The most commonly cited reason for not attending more UNLV home games by UNLV constituents and Chamber members was an inconvenient stadium location, followed by team performance, living too far away, traffic congestion, and time conflicts. Students most commonly cited an inconvenient stadium location, followed by time/school conflicts, team performance, no interest in football, and traffic congestion.
- Overall, approximately 83 percent of UNLV constituents and Chamber members and 66 percent of students have a positive attitude towards the development of a new stadium.
- Approximately 63 percent of UNLV constituents and Chamber members and 66 percent of students indicated they would attend more UNLV home football games in a new multi-purpose on-campus football stadium.
- Nearly all survey respondents indicated an interest in attending other events at a new stadium. Respondents were most interested in attending concerts, NFL football games, other college football games, and family shows.
- In general, respondents preferred an enclosed stadium (retractable roof or domed) over an open-air stadium.
- Overall, approximately 38 percent of survey respondents indicated an initial interest in premium seating options in a new stadium.
- It is estimated that a new stadium could potentially support 1,500 to 3,000 club seats, 20 to 30 loge boxes, and 50 to 60 luxury suites.

ESTIMATED DEMAND

In order to determine demand for new events that will draw incremental visitors to the area, as well as meeting the needs of existing user groups, an extensive number of interviews were conducted with a variety of external groups representing a wide-variety of events and activities, as well as internal university constituent groups. Based on the analysis conducted, there is a need in the local marketplace for a new state-of-the-art stadium capable of hosting large-scale events in Las Vegas. The following table presents a summary of the potential of three stadium development scenarios (a state-of-the-art collegiate stadium, open-air stadium and enclosed stadium) to host events that draw incremental visitors to the area:

Estimated New Stadium Utilization

YEAR ONE EVENTS

| Event Type | Domed Stadium | | | Open Air Stadium | | | State-of-the-Art Collegiate Option | | |
|---|-------------------|--------------------|------------------|-------------------|--------------------|------------------|------------------------------------|--------------------|------------------|
| | Total # of Events | Average Attendance | Total Attendance | Total # of Events | Average Attendance | Total Attendance | Total # of Events | Average Attendance | Total Attendance |
| International Soccer | 2 | 40,000 | 80,000 | 1 | 40,000 | 40,000 | 1 | 40,000 | 40,000 |
| Concerts | 2 | 40,000 | 80,000 | 1 | 35,000 | 35,000 | 1 | 30,000 | 30,000 |
| Rugby | 4 | 23,000 | 92,000 | 4 | 23,000 | 92,000 | 4 | 23,000 | 92,000 |
| Las Vegas Bowl | 1 | 50,000 | 50,000 | 1 | 50,000 | 50,000 | 1 | 45,000 | 45,000 |
| New Bowl Game | 1 | 50,000 | 50,000 | 0 | -- | -- | 0 | -- | -- |
| Neutral Site CFB Game | 2 | 50,000 | 100,000 | 1 | 50,000 | 50,000 | 1 | 45,000 | 45,000 |
| Catered Events | 100 | 500 | 50,000 | 75 | 500 | 37,500 | 75 | 500 | 37,500 |
| Motorsports | 3 | 45,000 | 135,000 | 3 | 45,000 | 135,000 | 3 | 40,000 | 120,000 |
| Combatives (i.e. Boxing, UFC) | 2 | 42,000 | 84,000 | 0 | -- | -- | 0 | -- | -- |
| Other | 4 | 45,000 | 180,000 | 0 | -- | -- | 0 | -- | -- |
| UNLV Football | 6 | 38,000 | 228,000 | 6 | 38,000 | 228,000 | 6 | 38,000 | 228,000 |
| TOTAL | 127 | | 1,123,000 | 92 | | 669,000 | 92 | | 637,500 |
| TOTAL (Excluding catered events/UNLV football) | 21 | | 845,000 | 11 | | 404,000 | 11 | | 372,000 |

- It is estimated that a new enclosed stadium could host approximately 127 events drawing 1.1 million attendees for UNLV football, international soccer, concerts, collegiate bowl games, neutral site college football games, motorsports, combative sporting events, and catered events. Excluding catered events and UNLV football, the facility would host 21 events annually, drawing approximately 845,000 attendees.
- A new open-air stadium could host approximately 92 events drawing 669,000 attendees for UNLV football, international soccer, concerts, the Las Vegas Bowl, neutral site college football games, motorsports, combative sporting events, and catered events. Excluding catered events and UNLV football, the facility is projected to host 11 events annually, drawing approximately 404,000 attendees.
- It is estimated that a new state-of-the-art collegiate stadium could host approximately 92 events drawing 638,000 attendees. Excluding catered events and UNLV football, the facility is projected to host 11 events annually, drawing approximately 372,000 attendees.
- It should be noted that the development of a proposed soccer-specific stadium is currently being considered in downtown Las Vegas. A new stadium's ability to host soccer matches and other related events could be negatively impacted should plans to construct the soccer-specific stadium move forward.

BUILDING PROGRAM & COST

Based on the need for a new state-of-the-art stadium in Las Vegas to host large-scale events and the resulting estimated utilization, the following table presents a summary of the total project costs of each potential stadium type:

| |  |  |  |
|------------------------------------|---|--|---|
| Total Square Footage | 860,000 | 900,000 | 900,000 |
| Total Seating Capacity | 45,000 | 50,000 - 55,000 | 50,000 - 55,000 |
| TOTAL PROJECT COSTS (\$MM) | | | |
| Hard Construction Costs | \$342.0 | \$449.0 | \$592.5 |
| Soft Costs | \$80.9 | \$106.2 | \$140.1 |
| Site & Infrastructure | \$100.0 | \$100.0 | \$100.0 |
| Total Stadium Project Costs | \$522.9 | \$655.2 | \$832.6 |

Note: Total costs presented herein include land and parking costs.

Overall, it is estimated that project costs could total approximately \$522.9 million to construct a state-of-the-art collegiate stadium, approximately \$655.2 million to construct an open-air stadium and approximately \$832.6 million to construct a domed stadium in Las Vegas. Based on additional analyses conducted by the project team it is estimated that upwards of \$50 million in additional costs would need to be added to a new state-of-the-art collegiate stadium, and between \$25 and \$35 million to an open air stadium, to make it efficiently and expeditiously modified at a future date with a fixed roof.

FINANCIAL PROJECTIONS

The following table presents a summary of the estimated operating revenues and expenses associated with the various potential stadium development scenarios in Las Vegas.

| Estimated Financial Operations Proposed New Stadium Scenarios | | | | | | |
|--|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| | State-of-the-Art Collegiate Stadium | | Open-Air Stadium | | Enclosed Stadium | |
| | Year 1 | Year 5 | Year 1 | Year 5 | Year 1 | Year 5 |
| Revenues | | | | | | |
| Rentals / Ticket Sales | \$1,813,000 | \$2,040,000 | \$1,813,000 | \$2,040,000 | \$3,617,000 | \$4,071,000 |
| Naming Rights | 2,550,000 | 3,100,000 | 3,000,000 | 3,647,000 | 3,450,000 | 4,035,000 |
| Sponsorship | 2,550,000 | 2,983,000 | 3,000,000 | 3,509,000 | 3,450,000 | 3,883,000 |
| Luxury Suites | 2,126,000 | 2,387,000 | 2,126,000 | 2,387,000 | 5,523,000 | 6,068,000 |
| Loge Boxes | 245,000 | 318,000 | 245,000 | 318,000 | 524,000 | 635,000 |
| Club Seats | 2,921,000 | 3,288,000 | 2,921,000 | 3,288,000 | 2,921,000 | 3,288,000 |
| Food & Beverage | 1,214,000 | 1,366,000 | 1,272,000 | 1,375,000 | 2,459,000 | 2,698,000 |
| Merchandise | 344,000 | 387,000 | 362,000 | 407,000 | 842,000 | 948,000 |
| Ticket Fees | 1,246,000 | 1,583,000 | 1,318,000 | 1,977,000 | 3,292,000 | 4,938,000 |
| Total Revenues | \$15,009,000 | \$17,452,000 | \$16,057,000 | \$18,948,000 | \$26,078,000 | \$30,564,000 |
| Expenses | | | | | | |
| Labor | \$2,028,000 | \$2,239,000 | \$2,253,000 | \$2,487,000 | \$2,253,000 | \$2,487,000 |
| General & Administrative | 407,000 | 448,000 | 452,000 | 498,000 | 452,000 | 498,000 |
| Operations | 2,709,000 | 2,984,000 | 3,010,000 | 3,316,000 | 3,285,000 | 3,619,000 |
| Utilities | 1,152,000 | 1,346,000 | 1,280,000 | 1,495,000 | 3,030,000 | 3,543,000 |
| Insurance | 201,000 | 213,000 | 231,000 | 245,000 | 384,000 | 407,000 |
| Total Expenses | \$6,497,000 | \$7,230,000 | \$7,226,000 | \$8,041,000 | \$9,404,000 | \$10,554,000 |
| NET INCOME / (LOSS) | \$8,512,000 | \$10,222,000 | \$8,831,000 | \$10,907,000 | \$16,674,000 | \$20,010,000 |

State-of-the-Art Collegiate Stadium

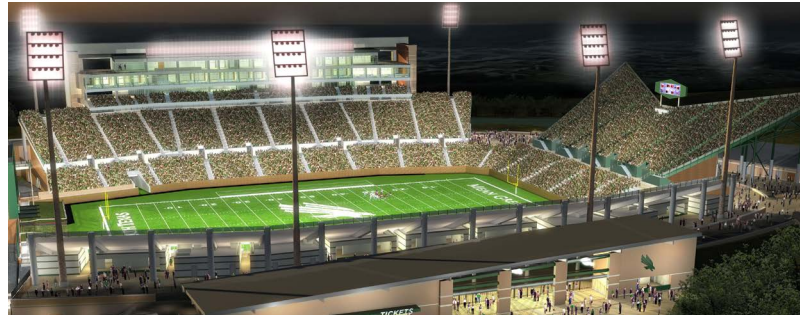
It is estimated that the proposed state-of-the-art collegiate stadium in Las Vegas could generate revenues of approximately \$15.0 million and incur approximately \$6.5 million in expenses, resulting in net income of approximately \$8.5 million before debt in the first year of operations. In the fifth year of operations, it is estimated that a new state-of-the-art



collegiate stadium in Las Vegas could generate revenues of approximately \$17.5 million and incur approximately \$7.2 million in expenses, resulting in net income of approximately \$10.2 million before debt.

Open-Air Stadium

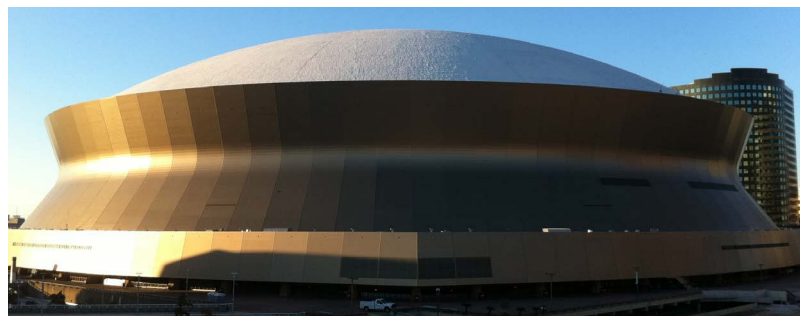
It is estimated that a new open-air stadium, larger and more elaborate than the state-of-the-art collegiate stadium, in Las Vegas could generate revenues of approximately \$16.1 million and incur approximately \$7.2 million in expenses, resulting in net income of approximately \$8.8 million before debt



in the first year of operations. In the fifth year of operations, it is estimated that a new open-air stadium in Las Vegas could generate revenues of approximately \$18.9 million and incur approximately \$8.0 million in expenses, resulting in net income of approximately \$10.9 million before debt.

Enclosed Stadium

It is estimated that a new enclosed stadium in Las Vegas could generate revenues of approximately \$26.1 million and incur approximately \$9.4 million in expenses, resulting in net income of approximately \$16.7 million before debt in the first year of operations. In the fifth year of operations, it is



estimated that a new enclosed stadium in Las Vegas could generate revenues of approximately \$30.6 million and incur approximately \$10.6 million in expenses, resulting in net income of approximately \$20.0 million before debt.

ECONOMIC & FISCAL IMPACTS

The construction and annual operations of the proposed stadium in Las Vegas can provide quantifiable benefits to an area.

Construction Period Impacts

The table below summarizes the net new economic impacts anticipated to be generated to Clark County by the construction of an open-air and enclosed stadium.

| Construction Period Impacts Stadium Development Scenarios | | |
|--|---------------------|---------------------|
| Net New Impact | Open-Air Stadium | Enclosed Stadium |
| Direct Spending | \$341,674,000 | \$431,567,000 |
| Total Output | \$587,764,000 | \$739,065,000 |
| Employment (FTEs) | 4,559 | 5,708 |
| Income | \$290,046,000 | \$366,265,000 |

The one-time net new economic impacts estimated to be associated with the construction of an open-air stadium in Las Vegas include approximately \$342 million in direct spending, \$588 million in total output and 4,559 full and part-time jobs and \$290 million in personal earnings. Net new impacts associated with the development of an enclosed stadium in Las Vegas include approximately \$432 million in direct spending, \$739 million in total output, 5,708 full and part-time jobs and \$366 million in personal earnings.

Annual Operations Impacts

The table below summarizes the net new combined on-site and off-site economic impacts anticipated to be generated to Clark County by the annual operations of an open-air and enclosed stadium (net of existing Sam Boyd Stadium impacts).

| Annual Operations Impacts Stadium Development Scenarios | | |
|--|---------------------|---------------------|
| Net New Impact | Open-Air Stadium | Enclosed Stadium |
| Direct Spending | \$174,464,000 | \$428,359,000 |
| Total Output | \$275,632,000 | \$676,748,000 |
| Employment (FTEs) | 2,550 | 6,267 |
| Income | \$110,075,000 | \$270,427,000 |

Net new impacts from annual operations of an open-air stadium are estimated to generate \$174 million in net new direct spending, \$276 million in total output, 2,550 full and part-time jobs and \$110 million in personal earnings.

Net new impacts from annual operations of an enclosed stadium are estimated to generate \$428 million in net new direct spending, \$677 million in total output, 6,267 full and part-time jobs and \$270 million in personal earnings.

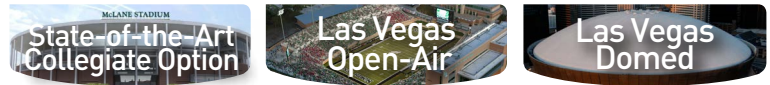
Fiscal Impacts

In addition to the direct spending, total output, employment and income impacts discussed herein, the construction and annual operations of a new stadium in Las Vegas could generate additional benefits to the local area in the form of increased tax revenues. Overall, it is estimated that annual net new fiscal benefits associated with the development of an enclosed and open-air stadium in Las Vegas could total approximately \$37.1 million and \$15.0 million, respectively. The following table provides a detailed summary of the net new fiscal impacts estimated to be generated to the local and regional area on an annual basis by type.

| Annual Fiscal Benefits Analysis Stadium Comparison (net of SBS) | | |
|--|---------------------|---------------------|
| Type of Tax | Open-Air Stadium | Domed Stadium |
| State Sales Tax | \$1,651,000 | \$4,079,000 |
| County Sales Tax | \$5,037,000 | \$12,441,000 |
| Proposed CFD Sales Tax | \$743,000 | \$1,836,000 |
| Live Entertainment Tax | \$648,000 | \$1,629,000 |
| Modified Business Tax | \$4,700 | \$4,700 |
| Hotel Tax | \$2,012,000 | \$4,971,000 |
| NV General Fund Gaming Tax | \$4,820,000 | \$11,906,000 |
| Car Rental Taxes & Fees | \$85,000 | \$210,000 |
| TOTAL | \$15,001,000 | \$37,077,000 |

FUNDING ANALYSIS

Based on the analyses conducted herein, the following graphic presents a summary of the annual debt service required to fund construction of each stadium type, as well as the minimum sales tax rate necessary to generate sufficient revenues to cover debt service.



| | State-of-the-Art Collegiate Option | Las Vegas Open-Air | Las Vegas Domed |
|---|------------------------------------|--------------------|-----------------|
| TOTAL PROJECT COSTS (\$MM) | | | |
| Construction Costs | \$342.0 | \$449.0 | \$592.5 |
| Soft Costs | \$80.9 | \$106.2 | \$140.1 |
| Site & Infrastructure | \$100.0 | \$100.0 | \$100.0 |
| Total Stadium Project Costs | \$522.9 | \$655.2 | \$832.6 |
| ANNUAL DEBT SERVICE | | | |
| Maximum Annual Debt Service for G.O. Bonds | \$33,400,000 | \$41,450,000 | \$52,600,000 |
| Maximum Annual Debt Service for Revenue Bonds | \$52,200,000 | \$67,900,000 | \$86,250,000 |
| G.O. BONDS 1.00 COVERAGE | | | |
| Minimum Sales Tax Rate if CFD | 8.461% | 8.552% | 8.674% |
| Minimum Sales Tax Rate if Clark County wide | 8.204% | 8.230% | 8.264% |
| REVENUE BONDS 1.50 COVERAGE | | | |
| Minimum Sales Tax Rate if CFD | 8.691% | 8.840% | 9.041% |
| Minimum Sales Tax Rate if Clark County wide | 8.269% | 8.312% | 8.370% |

Note: Total costs presented herein include land costs as well as on site parking costs.

It is estimated that the maximum annual debt service for general obligation bonds could range between \$33.4 million and \$52.6 million, depending on stadium type. In addition, the maximum annual debt service for revenue bonds could range between \$52.2 million and \$86.3 million, depending on stadium type.

General obligation bonds could require a minimum sales tax rate of between 8.204% and 8.674%, depending on whether the tax applies within the community facilities district or within Clark County. Revenue bonds could require a minimum sales tax rate of between 8.269% and 9.041%, depending on whether the tax applies within the community facilities district or within Clark County.

STUDY CONCLUSION

Based on the extensive research and analyses conducted herein, there is a demonstrated need for a new 45,000-seat, state-of-the-art collegiate stadium in Las Vegas on the campus of UNLV to host large-scale events that would draw incremental visitors to the local area, as well as contribute to the overall mission of UNLV. Given the recommended size and scope of the project, it is estimated that the stadium development could cost approximately \$523 million, and it is envisioned that as much as 80 percent is to be funded with incremental sales tax revenues.

Although the research and analyses has resulted in a demonstrated need for a new stadium in Las Vegas, members of the CIAB recognize the multitude of other needs that currently exist in Las Vegas that also require significant investment from the community and/or state, including:

- Increased public safety, education, healthcare and transportation services and infrastructure;
- UNLV Hospitality Hall;
- Tier One including UNLV Medical School;
- LVCVA Master Plan renovation and expansion of the Las Vegas Convention Center, Las Vegas Global Business District; and,
- Other civic and higher education needs.

Given the existing need in Las Vegas for a multitude of community, state and university resources, the CIAB has adopted the following resolutions:

Resolution A

- 1.0 WHEREAS, in 2013 the Nevada State Legislature adopted Assembly Bill 335 (AB 335) sponsored by the Speaker of the Assembly and approved by the Governor thus creating enabling legislation for the formation of the Campus Improvement Authority Board (CIAB) as a public body to study the need for, feasibility of and financing alternatives for a large events center (stadium) and other required infrastructure and supporting improvements in the Authority area; and
- 2.0 WHEREAS, the Board of Regents of the Nevada System of Higher Education (Board of Regents) appointed its members before the designated deadline, thus creating the CIAB; and
- 3.0 WHEREAS, the CIAB has been meeting as a public body since October of 2013, complying with Nevada's Open Meeting Law requirements, and analyzing the need for, feasibility of and financing alternatives for a stadium and other required infrastructure and supporting improvements.
- 4.0 **NOW, THEREFORE, BE IT RESOLVED**, that the CIAB has approved its final report, complete with specific recommendations and supporting materials, and will submit this report to the Director of the Legislative Counsel Bureau by Sept. 30, 2014, all as required by AB 335.

Resolution B

- 1.0 WHEREAS, the vision of UNLV is to become a Tier One – Carnegie Research Very High – institution with athletic, academic and campus experience consistent with its aspirational peers; and
- 2.0 WHEREAS, Tier One universities are research focused with overall academic excellence, attract the brightest and best students and faculty, are committed to student success, receive more federal grants and generate more economic development for the community and the state; and
- 3.0 WHEREAS, UNLV’s goals as a university include elevating our academic and student success, research, and athletics programs. A large events center (stadium) connected to the campus, or as an extension of the campus, is consistent with this vision and master plan and necessary for the long-term success of UNLV athletics; and
- 4.0 WHEREAS, Sam Boyd Stadium (formerly known as the Silver Bowl) has been an excellent facility to serve the needs of UNLV and Southern Nevada for more than four decades, but is limited by its location and capabilities to fully support the future needs of UNLV, the community and the growth of special events that attract incremental tourists; and
- 5.0 WHEREAS, like the Thomas & Mack Center (T&M) did for UNLV basketball, a new stadium will improve the recruiting and enhance the competitiveness and financial performance of UNLV football and bring all of UNLV’s athletics programs on campus or an extension of campus; and
- 6.0 WHEREAS, the T&M provides a good example of how a neutral site facility for special events benefits both the university and community as a whole; and
- 7.0 WHEREAS, as a stadium is an integral part of the campus and it will enhance the experience for students, faculty, visitors and community as a whole, and
- 8.0 WHEREAS, a sound financial operating model can provide net operating revenue from the stadium to support the academic mission of the university much as the T&M has for the athletic mission of the university; and
- 9.0 WHEREAS, a stadium close to the world famous resort corridor (The Strip) will enhance the visibility of UNLV and its recruiting of students and faculty and will also enhance the community as a whole; and
- 10.0 WHEREAS, Las Vegas attracts 40 million visitors annually with a full range of activities and events; but does not have a state-of-the-art venue to host events requiring more than 40,000 seats.
- 11.0 **NOW, THEREFORE, BE IT RESOLVED**, that there is a clearly established need for a new stadium on the UNLV campus, or as an extension of the campus, and close to The Strip; and
- 12.0 **FURTHER RESOLVED**, that a new stadium will host football games, special events and other activities that benefit UNLV, and the community as a whole.

Resolution C

- 1.0 WHEREAS, a new large events center (stadium) must be a public private partnership that includes UNLV and the community as a whole; and
- 2.0 WHEREAS, the CIAB received input from the tourism industry, the live entertainment industry, and the broader community to understand the potential need for and benefits of a stadium; and
- 3.0 WHEREAS, economic models developed for the stadium take into account any substitution of visitors, as the focus of the facility must be on meeting the needs of UNLV and increasing the number of special events and/or visitors to Las Vegas and Southern Nevada as a whole, as well as retaining any financially beneficial events that may otherwise leave; and
- 4.0 WHEREAS, a new stadium located on the UNLV campus, or as an extension of the UNLV campus, and located in proximity to The Strip capitalizes on the Las Vegas brand and uniqueness of the market; and
- 5.0 WHEREAS, a new stadium will complement the portfolio of existing venues, including privately funded venues, in the Las Vegas area; and
- 6.0 WHEREAS, a new stadium shall be utilized as a neutral site venue to retain and attract special events much the same way the T&M has attracted new business such as the NBA Summer League, USA Basketball, the PBR World Finals and the National Finals Rodeo; and
- 7.0 WHEREAS, a new stadium will provide employment and generate a significant economic benefit for Clark County and the state.
- 8.0 **NOW, THEREFORE, BE IT RESOLVED**, that for a new stadium to be feasible it must bring together the university and community as a whole in the form of a public-private partnership that most effectively serves the needs of all stakeholders.

Resolution D

- 1.0 WHEREAS, the CIAB has the authority to develop recommendations for a large events center (stadium) including without limitation, the type and general design of the center and the approximate number of seats to be included in the center; and
- 2.0 WHEREAS, the CIAB also has authority to calculate a preliminary cost for construction of such a stadium and other required land and infrastructure (including, without limitation, parking and traffic mitigation) and supporting improvements to the extent money is available for this purpose; and
- 3.0 WHEREAS, the CIAB has considered all types of facilities ranging from basic open air stadiums to elaborate, fully enclosed stadiums and stadiums with retractable roofs; and
- 4.0 WHEREAS, members of the CIAB analyzed stadiums that host college and professional football teams and other special events, and
- 5.0 WHEREAS, select members of the CIAB toured recently constructed facilities in Texas to get firsthand experience of the various designs and accompanying features associated with state-of-the-art modern stadiums; and
- 6.0 WHEREAS, the CIAB ultimately focused its efforts on a more narrow range of options from a state-of-the-art collegiate stadium, to a larger and more extensive open-air model to a domed or enclosed stadium (even giving some consideration to an open air structure to accommodate a dome at a later date); and
- 7.0 WHEREAS, to meet the current and aspirational needs at UNLV and the needs of the community to host large events at a neutral site, at a minimum, the facility should be a state-of-the-art open air collegiate stadium on campus or an extension of campus and have approximately 45,000 seats, and include a shading system that enhances the fan experience in summer months; and
- 8.0 WHEREAS, the CIAB was provided analysis as to the approximate cost of such a facility and related infrastructure of \$523 million, of which the all-in cost of the stadium is \$423 million and \$100 million is related to the site and infrastructure costs; and
- 9.0 WHEREAS, some members expressed a desire for an enclosed/domed facility; and
- 10.0 WHEREAS, the CIAB was provided analysis of a larger, more extensive open air state-of-the-art collegiate stadium along with a domed or enclosed stadium but both models were deemed to not be feasible at this time.
- 11.0 **NOW, THEREFORE, BE IT RESOLVED**, based on existing conditions that the stadium could be a state-of-the-art, open air collegiate stadium which includes a shading system and has approximately 45,000 seats.

Resolution E

- 1.0 WHEREAS, the CIAB analyzed financing alternatives for a large events center (stadium) and other required infrastructure and supporting improvements; and
- 2.0 WHEREAS, that a state-of-the-art collegiate stadium can be financially viable with a model that includes public financing; and
- 3.0 WHEREAS, private funding, including philanthropy, will be required for the stadium to be financially viable and integrated into the UNLV campus masterplan; and
- 4.0 WHEREAS, UNLV has several significant initiatives and needs as part of its vision to become a Tier One - Carnegie Research Very High - university; and
- 5.0 WHEREAS, the proposed stadium is among those significant initiatives, along with a proposed public medical school, a new academic building for its Hotel College, and other needs being defined under its “Path to Tier One” planning process; and
- 6.0 WHEREAS, the CIAB members clearly recognize that there are many other public needs in Las Vegas and the broader Southern Nevada community; and
- 7.0 WHEREAS, both UNLV’s and the community’s initiatives and needs will require public and private funding and non-financial resources to properly address them; and
- 8.0 WHEREAS, the region’s economy continues to improve from the “great recession,” but it remains challenged; and
- 9.0 WHEREAS, public revenue streams have not fully recovered and there is uncertainty regarding the local and state tax structure; and
- 10.0 WHEREAS, multiple proposals for new sports facilities, with consideration of public funding, add uncertainty to the dialogue concerning these facilities.
- 11.0 **NOW, THEREFORE, BE IT RESOLVED**, that development and funding of a new stadium is not feasible at this time.

Resolution F

- 1.0 WHEREAS, AB 335 restricts the CIAB to study the need for, feasibility of and financing alternatives for a large events center (stadium) within the Authority area with the boundaries defined as Maryland Parkway, Tropicana Avenue, Swenson street and Flamingo Avenue; and
- 2.0 WHEREAS, UNLV officials have determined the original site on the northeast corner of Harmon Avenue and Swenson Avenue is not feasible due to flight operational issues associated with the Federal Aviation Administration and McCarran International Airport; and
- 3.0 WHEREAS, UNLV officials have identified alternative sites with one location on campus and an additional location near the university that could be an extension of the campus; and
- 4.0 WHEREAS, AB 335 provides the CIAB to recommend legislative action that may be required further for the development of a stadium.
- 5.0 **NOW, THEREFORE, BE IT RESOLVED**, the CIAB recommends that the Legislature allow consideration of alternative sites that can be considered an extension to the current UNLV campus.

Resolution G

- 1.0 WHEREAS, the CIAB recognizes that pursuant to AB 335 that the operating authority of the Board expires on or before Sept. 30, 2015; and
- 2.0 WHEREAS, the CIAB recognizes that pursuant to AB 335, the Legislature limited the scope of the CIAB; and
- 3.0 WHEREAS, the CIAB recognizes the need to continue the CIAB with a longer timeline and broader scope to continue work on a new stadium if authorized by the relevant public entities; and
- 4.0 WHEREAS, the work performed by the CIAB provides a strong foundation for consideration of a stadium to be pursued at a later date.
- 5.0 **NOW, THEREFORE, BE IT RESOLVED**, that the CIAB requests the Legislature to enact legislation to continue the CIAB through the 2017 Legislative Session by extending the authorization of the CIAB from the current September 30, 2015 to September 30, 2017; and
- 6.0 **FURTHER RESOLVED**, that the CIAB requests the Legislature to include in the legislation the appointment/re-appointment of members, a mandate for the CIAB's continued work, and a timeline for that work to be completed.



10

FINANCIAL PROJECTIONS

The purpose of this section is to present estimated operating revenues and expenses for a new stadium. Since facility design and configuration have not yet been completed, the assumptions used in this analysis are based on the results of the market analysis, industry trends, knowledge of the marketplace and financial results from comparable facilities. Additional physical development planning must be completed before more precise estimations of the proposed stadium's operating costs can be made. Also, upon completion of preliminary planning, revenue and expense assumptions should be updated to reflect changes to the assumptions made herein. These changes could significantly influence the analysis of future operating results.

This presentation is designed to assist project representatives in estimating the financial attributes of a new stadium in Las Vegas and cannot be considered to be a presentation of expected future results. Accordingly, this analysis may not be useful for any other purpose. There will be differences between estimated and actual results that may be material.

Key assumptions used to estimate the potential financial operations of a new stadium in Las Vegas include, but are not limited to the following. The assumptions disclosed herein are not all-inclusive, but are those deemed to be significant.

- The domed stadium scenario will contain approximately 50,000 to 55,000 total seats, including five founder's suites (120 seats), 45 luxury suites (720 seats), and 2,500 club and loge seats;
- The open-air stadium scenario will contain approximately 50,000 to 55,000 total seats, including 50 luxury suites (800 seats), and 2,500 club and loge seats;
- The state-of-the-art collegiate stadium scenario will contain approximately 45,000 total seats, including 50 luxury suites (800 seats), and 2,500 club and loge seats;
- Net rental income is based upon industry standards, project team experience in similar markets/facilities, and market research;
- Merchandise is assumed to be handled in-house, with net profit margin assumed to be 10 to 15 percent (based upon industry averages);
- No parking assumptions have been included in this financial analysis;
- Facility fees are assumed to be \$2.00 per ticket for all events;
- Revenues are grown at three percent annually;
- All operating expenses are based upon project team experience in similar facilities, and assume most services handled on an in-house basis or sub-contracted;

- Insurance expenses are based on project team's industry clout and leverages policy rates, and are grown at three percent annually;
- Utilities are assumed to grow at four percent annually;
- Expenses are grown at 2.5 percent annually;
- Payroll burden is assumed to represent 30 percent of all expenses and is grown at 2.5 percent annually;
- The stadium would be owned by a public entity, such as UNLV or the LVCVA, and would be exempt from property taxes;
- The stadium will be managed by a competent, professional management team;
- The stadium will be aggressively marketed, providing competitive guarantees and, where applicable, rental rates;
- The market will generate spending on tickets, concessions, merchandise, advertising, sponsorships and premium seating that is consistent with the recent history of other comparable new stadiums;
- No assumptions have been made regarding revenues that could be generated should the stadium host any events outside of those presented herein;
- There are no significant or material changes in the supply or quality of existing venues in the marketplace; and,
- The revenues and expenses presented herein are inclusive of revenues generated by the stadium, tenant events and other events as previously outlined.

It should be noted that the revenue and expense estimates presented herein are presented in 2014 dollars.

SUMMARY OF OPERATING REVENUES AND EXPENSES

The following table presents a summary of the projected events and attendance for a new stadium in Las Vegas. These projections are based upon analyses of the local market in Las Vegas and the operations of other recently built stadiums. It should be noted that the estimated utilization for the state-of-the-art collegiate, open-air and closed roof scenarios have been presented herein.

Estimated New Stadium Utilization

YEAR ONE EVENTS

| Event Type | Domed Stadium | | | Open Air Stadium | | | State-of-the-Art Collegiate Option | | |
|---|-------------------|--------------------|------------------|-------------------|--------------------|------------------|------------------------------------|--------------------|------------------|
| | Total # of Events | Average Attendance | Total Attendance | Total # of Events | Average Attendance | Total Attendance | Total # of Events | Average Attendance | Total Attendance |
| International Soccer | 2 | 40,000 | 80,000 | 1 | 40,000 | 40,000 | 1 | 40,000 | 40,000 |
| Concerts | 2 | 40,000 | 80,000 | 1 | 35,000 | 35,000 | 1 | 30,000 | 30,000 |
| Rugby | 4 | 23,000 | 92,000 | 4 | 23,000 | 92,000 | 4 | 23,000 | 92,000 |
| Las Vegas Bowl | 1 | 50,000 | 50,000 | 1 | 50,000 | 50,000 | 1 | 45,000 | 45,000 |
| New Bowl Game | 1 | 50,000 | 50,000 | 0 | -- | -- | 0 | -- | -- |
| Neutral Site CFB Game | 2 | 50,000 | 100,000 | 1 | 50,000 | 50,000 | 1 | 45,000 | 45,000 |
| Catered Events | 100 | 500 | 50,000 | 75 | 500 | 37,500 | 75 | 500 | 37,500 |
| Motorsports | 3 | 45,000 | 135,000 | 3 | 45,000 | 135,000 | 3 | 40,000 | 120,000 |
| Combatives (i.e. Boxing, UFC) | 2 | 42,000 | 84,000 | 0 | -- | -- | 0 | -- | -- |
| Other | 4 | 45,000 | 180,000 | 0 | -- | -- | 0 | -- | -- |
| UNLV Football | 6 | 38,000 | 228,000 | 6 | 38,000 | 228,000 | 6 | 38,000 | 228,000 |
| TOTAL | 127 | | 1,123,000 | 92 | | 669,000 | 92 | | 637,500 |
| TOTAL (Excluding catered events/UNLV football) | 21 | | 845,000 | 11 | | 404,000 | 11 | | 372,000 |

As shown above, it is estimated that a new domed stadium could host approximately 127 events drawing 1.1 million attendees for UNLV football, international soccer, concerts, collegiate bowl games, neutral site college football games, motorsports, combative sporting events, and catered events. Excluding catered events and UNLV football, the facility would host 21 major events annually, drawing approximately 845,000 attendees. Other event attendance is estimated to total approximately 68,000 per year. It is estimated that a new open-air stadium could host approximately 92 events drawing 669,000 annually. Excluding catered events and UNLV football, the facility is projected to host 11 major events annually, drawing approximately 404,000 attendees. Additionally, a state-of-the-art collegiate stadium is expected to be smaller in capacity the open-air stadium scenario, and thus attract fewer annual visitors than the proposed open-air stadium. It is estimated that a new state-of-the-art collegiate stadium could host approximately 92 events drawing 638,000 attendees. Excluding catered events and UNLV football, the facility is projected to host 11 major events annually, drawing approximately 372,000 attendees.

Based upon the estimated events and attendance, and revenue/expense assumptions discussed previously, the following table summarizes the estimated operating revenues and expenses associated with the various potential stadium development scenarios in Las Vegas.

Estimated Financial Operations
Proposed Multi-Purpose On-Campus Stadium Scenarios

| | State-of-The-Art Collegiate Stadium | | Open-Air Stadium | | Enclosed Stadium | |
|----------------------------|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Year 1 | Year 5 | Year 1 | Year 5 | Year 1 | Year 5 |
| Revenues | | | | | | |
| Rentals / Ticket Sales | \$1,813,000 | \$2,040,000 | \$1,813,000 | \$2,040,000 | \$3,617,000 | \$4,071,000 |
| Naming Rights | 2,550,000 | 3,100,000 | 3,000,000 | 3,647,000 | 3,450,000 | 4,035,000 |
| Sponsorship | 2,550,000 | 2,983,000 | 3,000,000 | 3,509,000 | 3,450,000 | 3,883,000 |
| Luxury Suites | 2,126,000 | 2,387,000 | 2,126,000 | 2,387,000 | 5,523,000 | 6,068,000 |
| Loge Boxes | 245,000 | 318,000 | 245,000 | 318,000 | 524,000 | 635,000 |
| Club Seats | 2,921,000 | 3,288,000 | 2,921,000 | 3,288,000 | 2,921,000 | 3,288,000 |
| Food & Beverage | 1,214,000 | 1,366,000 | 1,272,000 | 1,375,000 | 2,459,000 | 2,698,000 |
| Merchandise | 344,000 | 387,000 | 362,000 | 407,000 | 842,000 | 948,000 |
| Ticket Fees | 1,246,000 | 1,583,000 | 1,318,000 | 1,977,000 | 3,292,000 | 4,938,000 |
| Total Revenues | \$15,009,000 | \$17,452,000 | \$16,057,000 | \$18,948,000 | \$26,078,000 | \$30,564,000 |
| Expenses | | | | | | |
| Labor | \$2,028,000 | \$2,239,000 | \$2,253,000 | \$2,487,000 | \$2,253,000 | \$2,487,000 |
| General & Administrative | 407,000 | 448,000 | 452,000 | 498,000 | 452,000 | 498,000 |
| Operations | 2,709,000 | 2,984,000 | 3,010,000 | 3,316,000 | 3,285,000 | 3,619,000 |
| Utilities | 1,152,000 | 1,346,000 | 1,280,000 | 1,495,000 | 3,030,000 | 3,543,000 |
| Insurance | 201,000 | 213,000 | 231,000 | 245,000 | 384,000 | 407,000 |
| Total Expenses | \$6,497,000 | \$7,230,000 | \$7,226,000 | \$8,041,000 | \$9,404,000 | \$10,554,000 |
| NET INCOME / (LOSS) | \$8,512,000 | \$10,222,000 | \$8,831,000 | \$10,907,000 | \$16,674,000 | \$20,010,000 |



State-of-the-Art Collegiate Stadium

It is estimated that the proposed state-of-the-art collegiate stadium in Las Vegas could generate revenues of approximately \$15.0 million and incur approximately \$6.5 million in expenses, resulting in net income of approximately \$8.5 million before debt in the first year of operations. In the fifth year of operations, it is estimated that a new state-of-the-art collegiate stadium in Las Vegas could generate revenues of approximately \$17.5 million and incur approximately \$7.2 million in expenses, resulting in net income of approximately \$10.2 million before debt.



Open-Air Stadium

It is estimated that a new open-air stadium in Las Vegas could generate revenues of approximately \$16.1 million and incur approximately \$7.2 million in expenses, resulting in net income of approximately \$8.8 million before debt in the first year of operations. In the fifth year of operations, it is estimated that a new open-air stadium in Las Vegas could generate revenues of approximately \$18.9 million and incur approximately \$8.0 million in expenses, resulting in net income of approximately \$10.9 million before debt.



Enclosed Stadium

It is estimated that a new enclosed stadium in Las Vegas could generate revenues of approximately \$26.1 million and incur approximately \$9.4 million in expenses, resulting in net income of approximately \$16.7 million before debt in the first year of operations. In the fifth year of operations, it is estimated that a new enclosed stadium in Las Vegas could generate revenues of approximately \$30.6 million and incur approximately \$10.6 million in expenses, resulting in net income of approximately \$20.0 million before debt.



11

ECONOMIC & FISCAL IMPACT ANALYSIS

While many of the perceived benefits of the proposed stadium in Las Vegas are intangible including providing UNLV student-athletes an enhanced competition experience and UNLV coaches a unique tool from which to recruit top talent to the football program, as well as stimulating community pride among other qualitative benefits, the construction and annual operations of the proposed stadium in Las Vegas can provide quantifiable benefits to an area.

Typically, quantifiable effects are characterized in terms of economic impacts and fiscal impacts. Economic impacts are conveyed through measures of direct spending, total output, personal earnings, and employment. Fiscal impacts denote changes in tax revenues.

The focus of this analysis is to estimate the potential net new impacts generated from the construction and operation of the proposed stadium in Las Vegas. The following key issues have been addressed in this section:

- Overview of Economic Impacts;
- Construction Period Impacts;
- Annual Operations Impacts;
- Fiscal Impacts; and,
- Non-Quantifiable Benefits.

The assumptions underlying the estimates of economic and fiscal impacts are based on the results of a market and financial analysis presented previously in this report. The results presented are for the construction period and cumulative 30-year operations impacts.

OVERVIEW OF ECONOMIC IMPACTS

Economic impacts are typically conveyed through measures of direct spending, total output, personal earnings and employment. Each of the measures of economic impact is defined below:

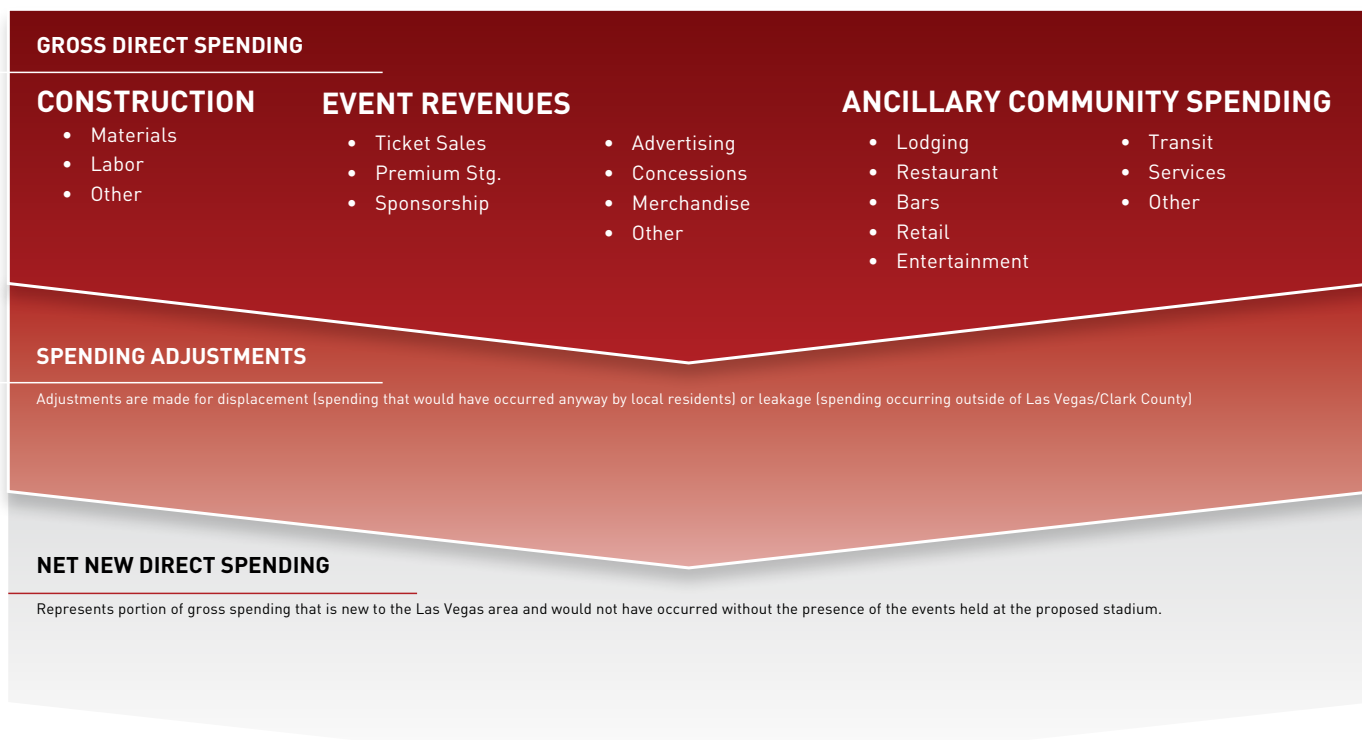
- **Direct spending** represents spending generated by the proposed stadium in Las Vegas including construction-related spending on labor and materials as well as spending during annual operations consisting of in-facility expenditures on tickets and rentals, premium seating, concessions, sponsorships, etc.; out-of-facility spending on hotels, food and beverages, retail, transportation, entertainment and other expenditures.
- **Total output** represents the total direct, indirect and induced spending effects generated by the proposed stadium in Las Vegas.
- **Personal earnings** represent the wages and salaries earned by employees of businesses involved with the proposed stadium in Las Vegas.
- **Employment** is expressed in terms of person years of employment and is based on project spending. Person years are defined as one year of employment, or 2,080 annual hours, and may be full- or part-time.

DIRECT SPENDING

The operation of a multi-purpose stadium can impact the local economy in a variety of ways. As outlined in the exhibit below, initial direct spending is generated during construction on materials and labor and during operations at events on tickets and rentals, premium seating, concessions, sponsorships, etc., as well as before and after events throughout local hotel, restaurant, retail and other establishments.

In order to estimate the incremental economic and fiscal impact benefits generated to the local economy, certain adjustments must be made to initial direct spending to reflect the fact that all spending is not likely to impact the local economy. The following exhibit summarizes the adjustments made to initial direct spending in order to determine net new direct spending impacting the local economy.

DIRECT SPENDING - ADJUSTMENTS



As illustrated in the exhibit, adjustments must be made to account for the fact that a certain amount of spending associated with the proposed stadium in Las Vegas will be made by local residents and, therefore, likely represents money already spent in the economy in another form. This is called displacement and reduces the overall net new impacts. This type of spending is not considered net new to the local economy. Additionally, not all spending associated with the proposed stadium in Las Vegas will take place in the local economy. A portion of this spending is likely to occur outside the immediate area. This is called leakage and reduces the overall impact. The economic and fiscal impacts presented in this section represent the estimated net new impacts associated with the proposed stadium in Las Vegas.

MULTIPLIER EFFECTS

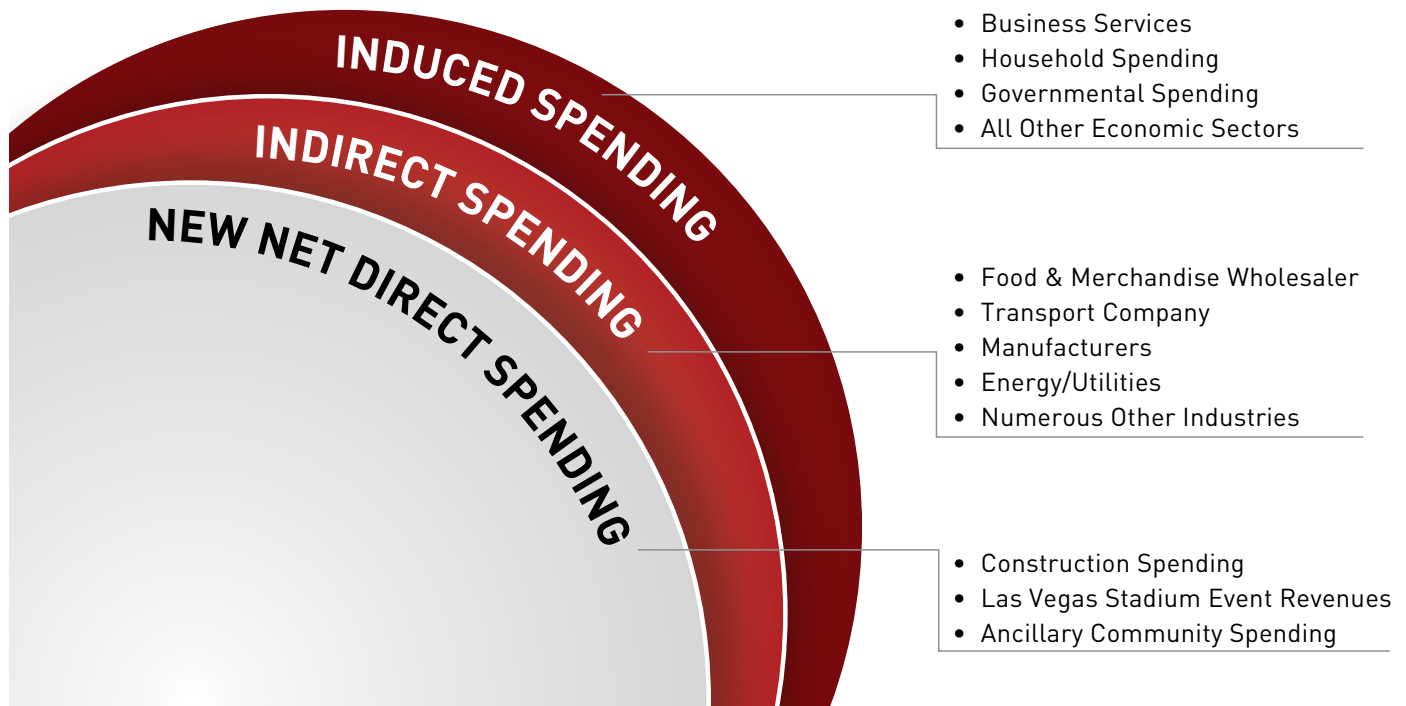
Economic impacts associated with the proposed stadium in Las Vegas will likely be further increased through re-spending of the net new direct spending. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes place beginning with the direct spending and continuing through each successive round of re-spending.

Successive rounds of re-spending are generally discussed in terms of their indirect and induced effects on the area economy. Each is discussed in more detail as follows:

- Indirect effects consist of the re-spending of the initial or direct expenditures. These indirect impacts extend further as the dollars constituting the direct expenditures continue to change hands. This process, in principle, could continue indefinitely. However, recipients of these expenditures may spend all or part of it on goods and services outside the market area, put part of these earnings into savings, or pay taxes. This spending halts the process of subsequent expenditure flows and does not generate additional spending or impact within the community after a period of time. This progression is termed leakage and reduces the overall economic impact. Indirect impacts occur in a number of areas including the following:
 - o wholesale industry as purchases of food and merchandise products are made;
 - o transportation industry as the products are shipped from purchaser to buyer;
 - o manufacturing industry as products used to service the sports complex, vendors and others are produced;
 - o utility industry as the power to produce goods and services is consumed; and,
 - o other such industries.
- Induced effects consist of the positive changes in spending, employment, earnings and tax collections generated by personal income associated with the operations of a sports complex. Specifically, as the economic impact process continues, wages and salaries are earned, increased employment and population are generated, and spending occurs in virtually all business, household and governmental sectors. This represents the induced spending impacts generated by direct expenditures.

The concept of direct, indirect and induced spending is further illustrated below.

THE MULTIPLIER EFFECT



The appropriate multipliers to be used are dependent upon certain regional characteristics and also the nature of the expenditure. An area which is capable of producing a wide range of goods and services within its border will have high multipliers, a positive correlation existing between the self-sufficiency of an area's economy and the higher probability of re-spending occurring within the region. If a high proportion of the expenditures must be imported from another geographical region, lower multipliers will result.

The multiplier estimates used in this analysis are based on the IMPLAN system. IMPLAN, which stands for Impact Analyses and Planning, is a computer software package that consists of procedures for estimating local input-output models and associated databases. Input-output models are a technique for quantifying interactions between firms, industries and social institutions within a local economy.

IMPLAN was originally developed by the U.S. Forest Service in cooperation with the Federal Emergency Management Agency and the U.S. Department of the Interior's Bureau of Land Management to assist in land and resource management planning. Since 1993, the IMPLAN system has been developed under exclusive rights by the Minnesota Implan Group, Inc. which licenses and distributes the software to users. Currently, there are hundreds of licensed users in the United States including universities, government agencies, and private companies.

The economic data for IMPLAN comes from the system of national accounts for the United States based on data collected by the U. S. Department of Commerce, the U.S. Bureau of Labor Statistics, and other federal and state government agencies. Data are collected for 440 distinct producing industry sectors of the national economy corresponding to the Standard Industrial Categories (SICs).

FISCAL IMPACTS

In addition to the economic impacts generated by the proposed stadium in Las Vegas throughout the market area, the public sector also benefits from increased tax revenues. In preparing estimates of fiscal impacts, total tax revenues attributable to the direct spending generated by the development were estimated. In addition, estimates of the effect of total output and earnings on the tax collections have been estimated. Tax revenues are based on the current applicable tax rates. Future changes in these rates would have an impact on the resulting tax collections. The sources of tax revenue focused on in this report are outlined below:

- State of Nevada Sales Tax;
- Clark County Sales Tax;
- Proposed Community Facilities District Sales Tax;
- Live Entertainment Tax;
- Modified Business Tax;
- Hotel Tax;
- Nevada General Fund Gaming Tax; and,
- Car Rental Taxes & Fees.

CONSTRUCTION PERIOD IMPACTS

The table below summarizes the net new economic impacts anticipated to be generated to Clark County by the construction of an open-air and enclosed stadium.

| Construction Period Impacts Stadium Development Scenarios | | |
|--|-----------------------------|-----------------------------|
| Net New Impact | Open-Air Stadium | Enclosed Stadium |
| Direct Spending | \$341,674,000 | \$431,567,000 |
| Total Output | \$587,764,000 | \$739,065,000 |
| Employment (FTEs) | 4,559 | 5,708 |
| Income | \$290,046,000 | \$366,265,000 |

Project costs associated with the development of an open-air stadium in Las Vegas are estimated to total \$655.2 million, while project costs associated with the development of an enclosed stadium are estimated to total \$832.6 million. It is estimated that these costs will consist of roughly 60 percent materials and 40 percent labor. Further, it is estimated that 60 percent of materials spending and 80 percent of labor spending would occur in Clark County.

As a result, the one-time net new economic impacts estimated to be associated with the construction of an open-air stadium in Las Vegas include approximately \$342 million in direct spending, \$588 million in total output and 4,559 full and part-time jobs and \$290 million in personal earnings. Net new impacts associated with the development of an enclosed stadium in Las Vegas include approximately \$432 million in direct spending, \$739 million in total output, 5,708 full and part-time jobs and \$366 million in personal earnings.

In his study titled “The Economic Value and Importance of a Stadium with Seating for 55,000 or more Spectators for Nevada, Clark County, the Las Vegas Region’s Resorts, and UNLV”, Dr. Mark Rosentraub estimated that construction of an \$800 million enclosed stadium would result in approximately \$425 million in direct spending, \$729 million in total output and 5,058 full and part-time jobs and \$308 million in personal earnings.

ANNUAL OPERATIONS IMPACTS

The table below summarizes the net new combined on-site and off-site economic impacts anticipated to be generated to Clark County by the annual operations of an open-air and enclosed stadium (net of existing Sam Boyd Stadium impacts).

| Annual Operations Impacts Stadium Development Scenarios | | |
|--|-----------------------------|-----------------------------|
| Net New Impact | Open-Air Stadium | Enclosed Stadium |
| Direct Spending | \$174,464,000 | \$428,359,000 |
| Total Output | \$275,632,000 | \$676,748,000 |
| Employment (FTEs) | 2,550 | 6,267 |
| Income | \$110,075,000 | \$270,427,000 |

Net new impacts from annual operations of an open-air stadium are estimated to generate \$174 million in net new direct spending, \$276 million in total output, 2,550 full and part-time jobs and \$110 million in personal earnings. Net new impacts from annual operations of an enclosed stadium are estimated to generate \$428 million in net new direct spending, \$677 million in total output, 6,267 full and part-time jobs and \$270 million in personal earnings. Dr. Mark Rosentraub estimated that the net new impacts from annual operations of a 55,000-seat enclosed stadium included \$393 million in direct spending and \$603 million in total output.

FISCAL IMPACTS

In addition to the direct spending, total output, employment and income impacts discussed herein, the construction and annual operations of a new stadium in Las Vegas could generate additional benefits to the local area in the form of increased tax revenues. Overall, it is estimated that annual net new fiscal benefits associated with the development of an enclosed and open-air stadium in Las Vegas could total approximately \$37.1 million and \$15.0 million, respectively. The following table provides a detailed summary of the net new fiscal impacts estimated to be generated to the local and regional area on an annual basis by type.

| Annual Fiscal Benefits Analysis | | |
|--|-------------------------|----------------------|
| Stadium Comparison (net of SBS) | | |
| Type of Tax | Open-Air Stadium | Domed Stadium |
| State Sales Tax | \$1,651,000 | \$4,079,000 |
| County Sales Tax | \$5,037,000 | \$12,441,000 |
| Proposed CFD Sales Tax | \$743,000 | \$1,836,000 |
| Live Entertainment Tax | \$648,000 | \$1,629,000 |
| Modified Business Tax | \$4,700 | \$4,700 |
| Hotel Tax | \$2,012,000 | \$4,971,000 |
| NV General Fund Gaming Tax | \$4,820,000 | \$11,906,000 |
| Car Rental Taxes & Fees | \$85,000 | \$210,000 |
| TOTAL | \$15,001,000 | \$37,077,000 |

TABLE 3: OFF-SITE SPENDING ESTIMATES

| | Domed Stadium | Open-Air Stadium | Future Sam Boyd Events |
|---|----------------|------------------|------------------------|
| Number of Events ¹ | 27 | 17 | 8 |
| Total Annual Attendance ¹ | 1,047,399 | 623,122 | 129,000 |
| Total Overnight Attendees | 596,508 | 266,721 | 42,825 |
| Total Incremental Visitors² | 505,518 | 226,321 | 36,401 |

| Estimated Trip Spending³ | | | |
|--|-------------------|-------------------|-------------------|
| Average/Trip for Lodging (per night) | \$83.62 | \$83.62 | \$83.62 |
| Average/Trip for F&B | \$278.95 | \$278.95 | \$278.95 |
| Average/Trip for Local Transport | \$59.68 | \$59.68 | \$59.68 |
| Average/Trip for Shopping | \$140.90 | \$140.90 | \$140.90 |
| Average/Trip for Shows | \$38.45 | \$38.45 | \$38.45 |
| Average/Trip for Sightseeing | \$9.29 | \$9.29 | \$9.29 |
| Average/Trip Gambling Budget | \$529.57 | \$529.57 | \$529.57 |
| Total Average Trip Spending | \$1,140.46 | \$1,140.46 | \$1,140.46 |

| Estimated Total Spending⁴ | | | |
|---|----------------------|----------------------|---------------------|
| Room Nights | \$44,638,629 | \$19,984,783 | \$3,214,329 |
| F&B | \$141,014,291 | \$63,132,315 | \$10,154,129 |
| Local Transport | \$30,169,324 | \$13,506,853 | \$2,172,427 |
| Shopping | \$71,227,509 | \$31,888,665 | \$5,128,936 |
| Shows | \$19,437,173 | \$8,702,052 | \$1,399,628 |
| Sightseeing | \$4,696,264 | \$2,102,524 | \$338,168 |
| Gaming | \$190,072,150 | \$85,095,593 | \$13,686,677 |
| Total Expenditures | \$501,255,340 | \$224,412,785 | \$36,094,294 |

| Minus On-Site Spending- All Incremental Visitors¹ | | | |
|---|---------------------|--------------------|--------------------|
| Total Ticket Revenue | \$15,210,941 | \$6,801,386 | \$1,092,038 |
| Food & Beverage | \$1,211,323 | \$521,708 | \$190,670 |
| Novelty Income | \$535,930 | \$230,606 | \$153,446 |
| Total On-Site Expenditures | \$16,958,194 | \$7,553,700 | \$1,436,154 |

| Estimated Off-Site Spending- All Incremental Visitors⁵ | | | |
|--|----------------------|----------------------|---------------------|
| Room Night | \$44,638,629 | \$19,984,783 | \$3,214,329 |
| F&B | \$139,802,969 | \$62,610,607 | \$9,963,459 |
| Local Transport | \$30,169,324 | \$13,506,853 | \$2,172,427 |
| Shopping | \$70,691,579 | \$31,658,059 | \$4,975,490 |
| Shows | \$4,226,232 | \$1,900,667 | \$307,591 |
| Sightseeing | \$4,696,264 | \$2,102,524 | \$338,168 |
| Gaming | \$190,072,150 | \$85,095,593 | \$13,686,677 |
| Total Incremental Visitor Spending | \$484,297,146 | \$216,859,085 | \$34,658,140 |

1 Number of events, total visitors and on-site spending provided by CSL.

2 Total incremental visitors equates to net new visitors. 3 The estimated trip expenditures figures are from the LVCVA 2013 Visitors Profile.

4 The estimated total expenditures are computed by multiplying Total Incremental Visitors by Total Estimated Trip Expenditures.

5 The estimated total off-site expenditures are computed by subtracting On-Site Spending from the Estimated Total Expenditures.

TABLE 4: TOTAL INCREMENTAL TOURIST SPENDING: IMPLAN INPUTS USED TO ESTIMATE OUTPUT, WAGES AND LABOR INCOME: CLARK COUNTY

| IMPLAN Model Inputs | Domed Stadium | Open-Air Stadium Spending | Future Sam Boyd Events |
|---|----------------------|------------------------------|------------------------|
| 320 Motor Vehicle and Parts Dealers | \$732,915 | \$328,224 | \$51,585 |
| 321 Furniture and Home Furnishings Stores | \$673,001 | \$301,392 | \$47,368 |
| 322 Electronics and Appliance Stores | \$4,808,696 | \$2,153,495 | \$338,451 |
| 323 Building Material & Garden Supply Stores | \$906,173 | \$405,815 | \$63,779 |
| 324 Food and Beverage Stores | \$1,186,674 | \$531,432 | \$83,522 |
| 325 Health and Personal Care Stores | \$2,707,004 | \$1,212,287 | \$190,527 |
| 326 Gasoline Stations | \$345,845 | \$154,881 | \$24,342 |
| 327 Clothing and Clothing Accessories Stores | \$47,926,549 | \$21,463,115 | \$3,373,217 |
| 328 Sporting Goods/Hobby/Book/Music Stores | \$1,556,020 | \$696,838 | \$109,517 |
| 329 General Merchandise Stores | \$6,770,098 | \$3,031,877 | \$476,500 |
| 330 Miscellaneous Store Retailers | \$3,078,605 | \$1,378,702 | \$216,682 |
| 336 Transit and Ground Passenger Transportation | \$30,169,324 | \$13,506,853 | \$2,172,427 |
| 338 Scenic and sightseeing transportation | \$4,696,264 | \$2,102,524 | \$338,168 |
| 402 Performing Arts Companies | \$4,226,232 | \$1,900,667 | \$307,591 |
| 409 Amusement parks, arcades, and gambling industries | \$190,072,150 | \$85,095,593 | \$13,686,677 |
| 411 Hotels and motels, including casino hotels | \$44,638,629 | \$19,984,783 | \$3,214,329 |
| 413 Food services and drinking places | \$139,802,969 | \$62,610,607 | \$9,963,459 |
| TOTAL INCREMENTAL TOURIST SPENDING | \$484,297,146 | \$216,859,085 | \$34,658,140 |

Source: RCG Economics.

Note: In order to determine the IMPLAN model inputs, the total incremental visitor spending calculated in Table 3 was allocated to the appropriate IMPLAN industry codes. For example, the LVCVA Room Night, Food & Beverage, Local Transportation, Sightseeing, and Gaming Trip expenditures/spending, each, had a corresponding IMPLAN industry code as shown in Table 4 above. For example, the LVCVA's Food & Beverage trip expenditures were completely allocated to the IMPLAN code 413, "Food services and drinking places".

Table 4 shows the estimated spending levels RCG used in the IMPLAN model for the Domed, Open-Air and Sam Boyd stadiums. Retail/shopping has multiple IMPLAN industry codes. The total incremental visitor spending was allocated into the different industry codes, based on the actual spending that was occurring in the proposed Las Vegas Strip and Downtown Community Facilities District ("CFD"), requested by UNLV. For example, of the total retail spending occurring in the CFD, 67.8% of it was for clothing and clothing accessories. Therefore, the IMPLAN industry code 327, "Clothing and Clothing Accessory Stores", received 67.8% of the total incremental visitor spending on retail shopping.

While we understand the resort corridor/downtown CFD is no longer being considered by the CIAD (instead a County-wide CFD is preferred), it is our opinion that the former CFD's spending allocation is a more reasonable portrayal of what visitors purchase when shopping in Las Vegas. That's why the Off-Site spending estimates used herein and generated by the two stadium options still remain valid. For example, on a County-wide basis, IMPLAN code 320, "Motor Vehicle and Parts Dealers" accounts for approximately 21% of all retail spending. In the CFD this type of spending only accounts for approximately 1% of all retail spending. This is because visitors are not as likely as locals to purchase car parts from a retail store.

TABLE 5A: IMPLAN OUTPUTS: INITIAL OFFSITE BENEFITS

Domed Off-Site

| Impact Type | Spending/Output | Employment | Labor Income |
|-----------------------|----------------------|--------------|----------------------|
| Direct Benefit | \$454,006,000 | 4,667 | \$194,016,000 |
| Indirect Benefit | \$105,178,000 | 775 | \$39,802,000 |
| Induced Benefit | \$157,839,000 | 1,178 | \$52,852,000 |
| Total Benefits | \$717,023,000 | 6,620 | \$286,670,000 |
| Multipliers | 1.58 | 1.42 | 1.48 |

TABLE 5B: IMPLAN OUTPUTS: INITIAL OFFSITE BENEFITS

Open-Air Off-Site

| Impact Type | Spending/Output | Employment | Labor Income |
|-----------------------|----------------------|--------------|----------------------|
| Direct Benefit | \$203,307,000 | 2,090 | \$86,876,000 |
| Indirect Benefit | \$47,101,000 | 347 | \$17,823,000 |
| Induced Benefit | \$70,678,000 | 528 | \$23,666,000 |
| Total Benefits | \$321,086,000 | 2,964 | \$128,365,000 |
| Multipliers | 1.58 | 1.42 | 1.48 |

Sam Boyd Off-Site

| Impact Type | Spending/Output | Employment | Labor Income |
|-----------------------|---------------------|------------|---------------------|
| Direct Benefit | \$32,544,000 | 334 | \$13,904,000 |
| Indirect Benefit | \$7,537,000 | 56 | \$2,854,000 |
| Induced Benefit | \$11,312,000 | 84 | \$3,788,000 |
| Total Benefits | \$51,393,000 | 474 | \$20,546,000 |
| Multipliers | 1.58 | 1.42 | 1.48 |

It should be noted that the direct spending in Tables 5B and 5B do not match the total incremental visitor spending shown in Table 4. For example, in Table 4, the Dome stadium is projected to have a total incremental visitor spending of \$484.3M (gross), while IMPLAN is reporting a direct benefit of only \$454M. The difference between the two estimates of approximately \$30M is the result of “leakage”, and represents the amount of money that does not stay within the Clark County local economy.

After calculating the benefits of the Domed, Open-Air and Sam Boyd Stadium options, at the request of UNLV, RCG then removed the Sam Boyd stadium's economic benefits from the Domed and Open-Air options. This was done to ensure that only the net new economic activity resulting from a new stadium was reported. These results are shown in Tables 6A and 6B below:

TABLE 6A: IMPLAN OUTPUTS: FINAL OFFSITE BENEFITS

Domed Off-Site net Sam Boyd

| Impact Type | Spending/Output | Employment | Labor Income |
|-----------------------|----------------------|--------------|----------------------|
| Direct Benefit | \$421,461,000 | 4,333 | \$180,112,000 |
| Indirect Benefit | \$97,641,000 | 719 | \$36,948,000 |
| Induced Benefit | \$146,527,000 | 1,094 | \$49,064,000 |
| Total Benefits | \$665,629,000 | 6,146 | \$266,124,000 |
| Multipliers | 1.58 | 1.42 | 1.48 |

TABLE 6B: IMPLAN OUTPUTS: FINAL OFFSITE BENEFITS

Open-Air Off-Site net Sam Boyd

| Impact Type | Spending/Output | Employment | Labor Income |
|-----------------------|----------------------|--------------|----------------------|
| Direct Benefit | \$170,763,000 | 1,756 | \$72,972,000 |
| Indirect Benefit | \$39,564,000 | 291 | \$14,970,000 |
| Induced Benefit | \$59,365,000 | 443 | \$19,878,000 |
| Total Benefits | \$269,692,000 | 2,490 | \$107,820,000 |
| Multipliers | 1.58 | 1.42 | 1.48 |

Source: IMPLAN.

Note: It is these numbers in Tables 6A and 6B that were ultimately used to represent the "net" Off-site economic benefits for the two facility options. And these are the amounts used in the most recent CSL presentation before the CIAB.

Mega-Events Center at UNLV

Purpose

This report has been prepared by Hobbs, Ong & Associates, Inc. in response to a request from UNLV and Majestic Realty, potential partners in the development of a 55,000+ seat mega-events center and other amenities on the UNLV campus. The purpose of this report is to explore and evaluate the need for, and economic benefits associated with, a covered mega-events center on the UNLV campus. In part, this report draws upon the work of the University of Michigan's Center for Sports Management, led by Professor Mark S. Rosentraub, and their report entitled, "An All-Weather, Covered Mega-Events Stadium on UNLV's Campus: The Economic Value and Importance of a Stadium with Seating for 55,000 or More Spectators for Nevada, Clark County, the Las Vegas Region's Resorts, and UNLV".

Introduction

Las Vegas, despite its successes in diversifying its economy over the past several years, remains firmly rooted and invested in entertainment. In fact, attracting visitors to partake in a wide variety of entertainment alternatives is what Las Vegas has been designed to do and is, as history has shown, what it does best. It has continued to display its resiliency over the years as it has shifted from being gaming-centric to being a global destination for those who seek the best shopping, dining, room quality and value, and overall entertainment experience available. All of this said, there is one glaring void in the Las Vegas entertainment arsenal; the absence of a state-of-the-art, multi-purpose event center.

It is indeed ironic that Las Vegas, the "Entertainment Capital of the World", is one of the only major tourist destinations and metropolitan areas in the country that lacks such a state-of-the-art special event facility.

The lack of a mega-events center in Las Vegas is even more glaring when one considers that the primary mission of the Las Vegas economy is to attract visitors, and that the offering of special events is one of the primary means of attracting them to the market. Without such a facility Las Vegas, as a destination, lacks the ability to attract and offer special events that cannot be accommodated by its existing inventory of venues. In other words, the absence of such a facility is tantamount to a loss of potential visitors and the retention of existing customers and is contrary to the primary mission of the core Las Vegas economy.

The current inventory of event venues in Las Vegas includes a variety of specialized showrooms with comparatively small seating capacities and four "arena" venues with seating capacity ranging from just over 7,000 to less than 20,000. These venues are each very efficiently used, but are limited by size to events that fit an arena configuration. This inventory also includes the aging, open-air and non-centrally located Sam Boyd Stadium, which can seat 36,800 in its most common configuration for football.

To address this facility deficit, it has been proposed that a covered mega-events center with seating for 55,000 or more spectators be constructed on the western side of the UNLV main campus. A facility of this type and size, located in close proximity to both the Las Vegas Strip and McCarran International

Airport, would address the void described above while also providing a community asset that would serve not only the UNLV campus, but Las Vegas as a whole.

The benefits of adding a 55,000+ seat covered mega-events center on the UNLV campus include:

- The filling of a void in the current inventory of event facilities, which would improve the Las Vegas market's ability to attract events that are currently unattainable and to retain events that have grown beyond the capacity of their current venues.
- The availability of a neutral site venue close to the Las Vegas Strip that could be used for events that augment visitation to the resort corridor.
- The revitalization of the west end of the UNLV campus.
- With the movement of UNLV football to the campus, more of a campus community will result, benefiting students, faculty, staff and alumni.
- Enhanced quality of life for residents through the attraction of events beyond those specifically designed to attract new visitors. In this regard, the facility would serve as a highly desirable bridge between the university and the community as a whole.
- Economic revitalization of the areas immediately surrounding the UNLV campus.
- The new mega-events center will provide for significant branding opportunities for both UNLV and for Las Vegas.
- With the attraction of 15 new events to the community, it is estimated that **\$393.2 million in total direct annual economic benefit will inure to the Las Vegas economy.** Indirect benefits of \$95.4 million and induced benefits of \$114.8 million will also result. **The total direct, indirect and induced economic benefit arising from 15 new events is estimated to be \$603.4 million.** If 20 new events were held, this number would be expected to rise to \$804.6 million.
- With the attraction of 15 new events, it is estimated that nearly **\$36.8 million in new annual tax revenue** will be generated for state and local governments; and,
- Economic benefits associated with the construction of the new mega-events center includes the **generation of more than 5,000 direct, indirect and induced person years of employment**, generating more than **\$197 million in direct wages** for local working families. The building of the mega-events center alone would generate nearly \$30 million in tax revenue for state and local governments.

The economic and fiscal benefits noted above focus upon the attraction of new events and new visitors to the Las Vegas market, and do not include the value associated with events currently held in any existing venue in Las Vegas. All substitution effects were eliminated in the estimation of economic benefits.

The prudent and conservative assumptions used to produce the economic benefit estimates noted herein allow the conclusion to be drawn that considerable economic benefits to the hospitality industry and the community as a whole will be realized if a new mega-events center is added to the mix. Conversely, without a new mega-events center, there are numerous athletic and entertainment events that cannot take place in the Las Vegas market. There is even the possibility that some events that have traditionally been held in Las Vegas area will choose to relocate to other tourist destinations that have state-of-the-art mega-events facilities. The failure to attract new events and retain existing events has the potential to cost Las Vegas jobs, income, tax revenue and economic benefits that could otherwise inure to the community.

Summary of Projected Economic Benefits

Discussions with representatives of the Las Vegas Convention and Visitors Authority and Las Vegas Events have indicated that the assumed attraction of 15 or more new events to the Las Vegas market is both reasonable and achievable. Included among the type of new events that could be readily attracted to the market are; three neutral-site collegiate football games, an additional college bowl game, an NFL exhibition game, two additional NCAA football games and/or basketball conference championship tournaments, multiple major music events, international soccer exhibitions, and unarmed combat (e.g., boxing, UFC, WWE) mega-events.

The identification of a reasonable and achievable number of new events is central to determining the economic impact arising from them.

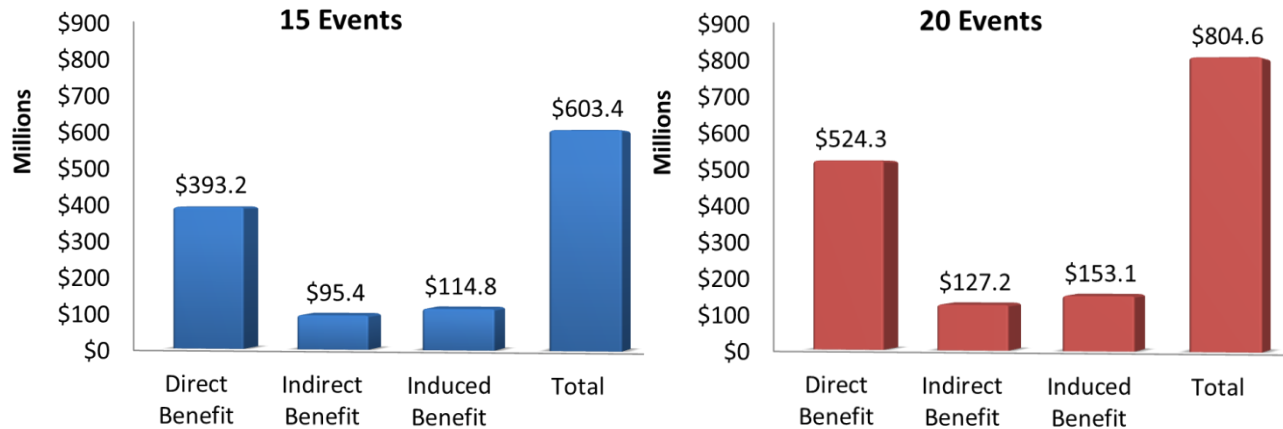
According to the estimates included in the report prepared by the University of Michigan's Center for Sports Management, the attraction of 15 new events (housed in a new 55,000 seat mega-events center) would produce 472,500 ticket sales to visitors. This would amount to 31,500 tickets sold to new visitors per event. Assuming an average ticket price of \$100, the University of Michigan estimates that visitors will spend \$47.2 million to attend events each year. They further estimate that, if each attendee were to spend \$40 on food, beverage and merchandise at each event, an additional \$18.9 million in consumption-related revenue would be generated each year. Total receipts for 15 events at the new mega-events center, including tickets, food and beverage, and merchandise are estimated to be \$66.1 million annually.

The University of Michigan report estimates that 15 new events at the mega-events center would produce a total of \$393.2 million in total annual benefit for the Las Vegas economy. The indirect benefits would approximate \$95.4 million, while the induced benefits would add \$114.8 million. Removing the new spending associated with tickets and other direct event-related revenue, and assuming that consumption at other places in Las Vegas would occur, the 15 events are still projected to produce nearly \$327.1 million in new annual spending within the resort corridor and among retail destinations with the Las Vegas market.

If, in a given year, Las Vegas were to attract 20 new events to the new mega-events center, the estimated economic benefit would rise to \$524.3 million annually. Including indirect and induced benefits, the total would rise to \$804.6 million at 20 events.

The 15 new events would also produce new tax revenues for the state and local governments within Clark County. The University of Michigan also estimates that \$37 million in new tax and fee revenue could be generated annually. Revenue sources include room tax, sales tax, live entertainment tax, gross gaming tax and car rental tax. Construction of the facility would generate an estimated \$26 million in sales tax and \$3.5 million in modified business (payroll) tax revenue.

For a more detailed view of the University of Michigan's economic and fiscal benefit estimates, please see the attached summary table (Attachment A).



UNLV Benefits

A covered mega-events center on its campus will permit UNLV to integrate all of its sports programs with the academic life of students, faculty, and staff. UNLV will also be able to welcome its alumni and the entire community to its campus for sports and entertainment events throughout the year. The facility would also become a focal point for community and university interaction, serving as a bridge between the campus and residential population.

Beyond increasing the presence of UNLV in the community, the new mega-events center will offer an opportunity to create a springboard for further development of campus facilities and will reinvigorate interest in adjoining retail and commercial property. By way of example, the presence of a new mega-events center on the UNLV campus will also allow for the development of other facilities (e.g., a student residential village, including retail and other amenities) which will advance the university toward the desired goal of becoming a residential campus and community destination. This would, in turn, help to elevate the attractiveness and energy level of the campus on local, national and international levels. The impacts upon the areas bordering the western part of the campus, while not included in this report, are expected to be positive.

The development of a covered mega-events center on the UNLV campus would serve as the anchor for a master plan that would transform the campus into both a community gathering place and a vibrant residential campus, while also providing a needed asset for the hospitality industry.

Summary and Conclusion

Las Vegas, while it is billed as the “Entertainment Capital of the World” and with an economy that is predominantly dependent upon attracting visitors to the Las Vegas market, has a deficiency in its inventory of facilities that can be used to attract net new visitors to the market. Las Vegas has a number of facilities that are capable of hosting special events, from very small and intimate events up to just under 20,000 attendees (e.g., UNLV Thomas and Mack Center). The deficiency is in the area of a state-of-the-art, mega-events center capable of hosting 55,000 or more attendees. The lack of such a facility can lead to the loss of events currently hosted in Las Vegas as well as the inability to compete for new events that require such a facility. In either case, this is tantamount to a loss of business for the Las Vegas market.

If 15 mega-events were held at such a facility, \$393.2 million in new annual direct spending is projected to take place in the market. If the mega-events center is not built, this spending will not occur and the foregone income would be an annual economic drain on economic development.

To build a covered mega-events center on its campus, UNLV will need to form a partnership with the market's resorts and hospitality industry, and will require the cooperation and involvement of the State and local entities. Such a partnership is not unprecedented; UNLV, the State of Nevada and the local community have worked together in the past to build a needed venue for events, the Thomas & Mack Center, which has produced substantial economic development gains for the region. In fact, the Thomas & Mack Center is among the nation's most successful arenas without an anchor professional sports team. By way of evidence, the Thomas & Mack Center has welcomed more than 21.7 million attendees to events over its life, and has averaged roughly 700,000 attendees per year over the past several years. Of the 700,000 attendees per year, approximately 300,000 are visitors to southern Nevada. The University of Michigan report estimates that more than \$200 million per year is spent in Las Vegas hotels and retail centers by visitors attending events at the Thomas & Mack Center. The Thomas & Mack Center has proven to be a key economic contributor to both the university and the hospitality sector.

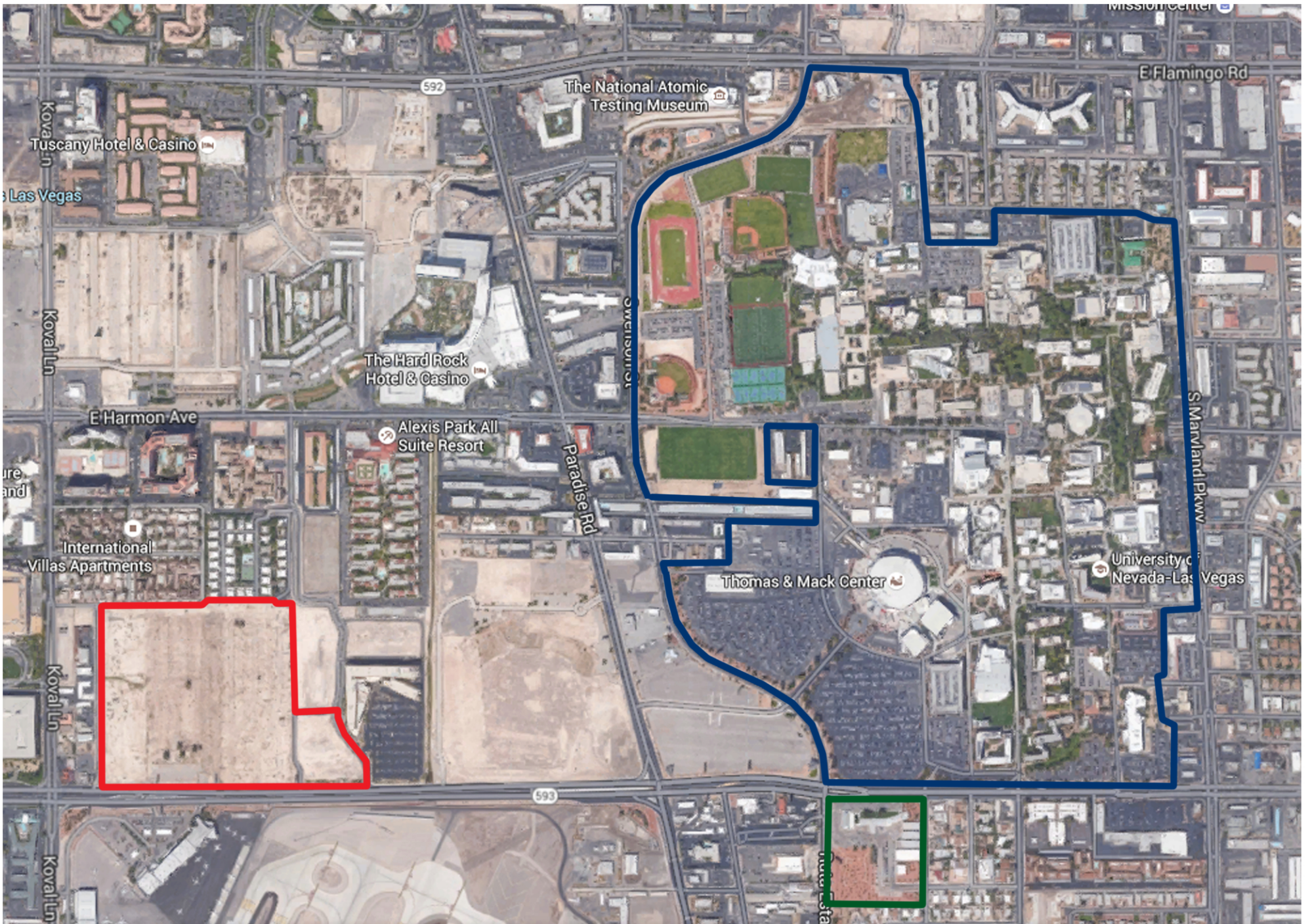
Another partnership between the State of Nevada, UNLV and the Las Vegas hospitality sector to build a new mega-events center will generate new levels of spending at Las Vegas' resorts. The result will be increased visitation, more jobs, more wages and salaries, and more economic activity within the region's core tourism economy. It will result in a better UNLV, engaging the community and anchoring a new wave of campus investment. It will also mean increased state and local tax collections, not only for the local university, but for state and local programs such as education, public safety, roads and healthcare. Failing to act will inevitably have the opposite effect, all but insuring that large-scale events will be hosted in other parts of the country that want nothing more than to capture an increasing share of Las Vegas' tourism and events spending. A mega-events center is conspicuously absent in southern Nevada, and there is compelling evidence that its construction and its operation would not only preserve, but would enhance the competitiveness of its core economy.

ATTACHMENT A

**New Annual Spending and Taxes Attributable to New Events in the
Proposed UNLV Mega-Events Center**

| NUMBER OF <u>EXPORT</u> EVENTS | 15 Events | 20 Events |
|--|----------------------|----------------------|
| NEW VISITOR EXPENDITURES: | | |
| <i>Lodging</i> | \$84,030,469 | \$112,040,625 |
| <i>Food and Beverage</i> | \$110,322,371 | \$147,096,495 |
| <i>Retail Spending</i> | \$51,946,178 | \$69,261,570 |
| <i>Entertainment (Shows)</i> | \$19,792,080 | \$26,389,440 |
| <i>Gaming</i> | \$97,193,250 | \$129,591,000 |
| <i>Local Transport</i> | \$25,804,406 | \$34,405,875 |
| <i>Sightseeing</i> | \$4,112,640 | \$5,483,520 |
| TOTAL ANNUAL Benefit For The Las Vegas Regional Economy | \$393,201,394 | \$524,268,525 |
| <i>Consumption on UNLV Campus</i> | \$66,150,000 | \$88,200,000 |
| TOTAL ANNUAL Direct Economic Benefit for Resorts, Retail Centers in Metropolitan LV | \$327,051,394 | \$436,068,525 |
| ANNUAL TAX REVENUES: | | |
| <i>State of Nevada Sales Tax</i> | \$13,037,862 | \$17,383,816 |
| <i>Clark County Sales Tax</i> | \$2,414,419 | \$3,219,225 |
| <i>Live Entertainment Tax</i> | \$4,329,863 | \$5,454,863 |
| <i>Hotel Taxes</i> | \$10,083,656 | \$13,444,875 |
| <i>NV General Fund Gaming Tax Revenue</i> | \$6,560,544 | \$8,747,393 |
| <i>Car Rental Taxes and Fees</i> | \$362,688 | \$483,584 |
| Total Tax Revenues Generated From New Visitors | \$36,789,032 | \$48,733,756 |

Source: University of Michigan's Center for Sports Management



- = Main UNLV Campus
- = Paradise Campus
- = 42 Acre Parcel

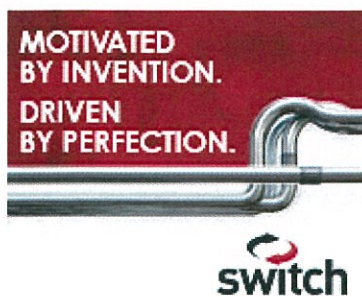
Where I Stand:

Las Vegas taxes on tourism while rival Orlando invests

By Robert Lang

Sunday, Sept. 6, 2015 | 2 a.m.

Brian Greenspun is taking some time off and is turning over his Where I Stand column to others. Today's guest columnist is Robert Lang, director of the think tank Brookings Mountain West at UNLV, an outreach of the Brookings Institution.



The 2015 Legislature again revised the state's Live Entertainment Tax. Recent debates centered on the definition of "live entertainment," how to collect the tax and exemptions to the tax. But once again Nevada failed to address the most critical issue surrounding this tax.

Unlike other major entertainment destinations, such as our prime competitor, Orlando, Fla., Southern Nevada does not retain a "carve-out" — a portion of the revenues generated by these location-specific events — to reinvest in tourist infrastructure so we can continue to build on Southern Nevada's No. 1 industry.

Orlando economic development staffers contacted Brookings Mountain West following the close of the 2015 Nevada Legislature to confirm that the state increased and broadened its live entertainment tax yet failed to secure a single new penny for investment in tourism assets. In addition, two-thirds of our current bed taxes flow to uses other than building and promoting our tourist economy. By contrast, Orlando maintains by law a 100 percent capture of its bed tax for tourism.

Our conversation with officials in Orlando concluded with one basic request from them: Please tell us the same legislators who failed to secure new funding streams for Las Vegas tourist investments will be in office next session.

Not to be polite, Orlando sees us as sitting ducks.

Consider that Orlando's locally generated entertainment funds (or the "tourist development tax") pay for improvements in major venues that strengthen and expand the region's booming tourist economy. For instance, over the past two years, Orlando plowed tourist-generated taxes into more than \$200 million in upgrades at the 60,000-plus-seat Citrus Bowl and constructing Orlando City Stadium for more than \$150 million.

Orlando City Stadium is an especially key contrast with Las Vegas. The venue soon will house a Major League Soccer expansion franchise and will play host to the 2016 and 2017 NCAA Women's College Cup championship. City Stadium sits smack downtown and is part of a broader urban-redevelopment effort. Yes, Orlando did exactly what Las Vegas failed to do: build a soccer stadium downtown. One key reason for success: locally generated tourist taxes help build entertainment infrastructure. Orlando has this tax stream; Las Vegas does not.

Why a soccer stadium? Orlando is targeting tourists from Latin America and sees soccer as a major draw. Note that Las Vegas also is booming with visitors from Latin America, especially Brazil. A downtown Las Vegas soccer-led stadium would appeal to many foreign tourists and provide a much-needed venue for multi-use live entertainment.

You also may recall Orlando's recent efforts to secure the National Finals Rodeo (NFR) from Las Vegas. While the effort was unsuccessful, it was not due to a lack of local resources or facilities. Orlando planned to pay for a new NFR arena in part by taxing tickets to that very event.

And Orlando is not alone in securing stadium resources from public sources while Las Vegas fails. Consider that Arlington, Texas, a city of nearly 400,000 residents, has attached a portion of locally generated retail sales taxes to build a massive live-entertainment complex that includes baseball and football stadiums. In fact, the 85,000-seat AT&T Stadium (home to the Dallas Cowboys) — one of the largest and most sophisticated entertainment venues in the world — is owned by Arlington. To think, Arlington does all this on a small portion of retail sales that are dwarfed by those in Southern Nevada.

Given local taxes generated in the retail and entertainment sector from tourist dollars alone, Las Vegas could have the most spectacular stadium in the U.S. If Southern Nevada had the same revenue streams available to Orlando or Arlington but enhanced by the region's hyper rate of tourist consumption and taxation, Las Vegas could build a must-see, envied-worldwide mega-entertainment complex, no problem.

Finally, Las Vegas has one quality that Dallas and all other major tourist markets (except Orlando) lack: Most seats in Las Vegas venues are filled by out-of-towners. When Glendale, Ariz., stole the Arizona Cardinals from Tempe, it did little to alter the fact that metro Phoenix residents fill seats in either site. Yet any new stadium in Las Vegas will grow our entertainment tourist infrastructure and add to regional export wealth in a way Phoenix and Dallas cannot match.

Southern Nevada's leading competitive economic advantage is tourism, and it will remain that way even if we succeed in much-needed industry diversification efforts. Expanding the core economy with new entertainment capacity is a certain winner. Orlando — to use Vegas parlance — is doubling down on its tourist expansion bet via multiple tax streams generated by lodging, entertainment and retail sales.

For now, Las Vegas is floundering on the sideline, but it is not too late to get in the game. Las Vegas has a potent tourist sector. If even a small share of taxes from its many tourist-led revenue streams were applied to building out events and entertainment infrastructure, then look out Orlando!