

**SOUTHERN NEVADA TOURISM INFRASTRUCTURE
COMMITTEE MEETING
October 22, 2015**

The meeting of the Southern Nevada Tourism Infrastructure Committee was called to order by Chairman Hill at 9:00 a.m. in the Richard Tam Alumni Center located at the University of Nevada, Las Vegas.

1. ROLL CALL/CALL TO ORDER/ESTABLISH QUOROM

BOARD MEMBERS PRESENT

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

ADVISORY COMMITTEE MEMBERS PRESENT

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

2. PUBLIC COMMENT: 9:08 a.m.

Chairman Hill opens the floor to any public comment. Brandi, a Culinary Union member who currently works at the Flamingo Hotel and Casino, states that customers have the right to know when and where there are labor disputes. She argues that the Las Vegas Convention and Visitors Authority (LVCVA) should protect the industry by providing visitors with information about current labor-related events in the city prior to arriving.

Chad, a worker at Margaritaville, reiterates that the LVCVA should ensure that visitors are aware of labor disputes prior to arriving in Las Vegas. He highlights that some groups have moved their business out of Las Vegas due to these labor disputes. Chad stresses that full

disclosure and transparency about labor disputes is the best way to protect current and future visitors.

Chairman Hill closes Agenda Item 2.

3. ACCEPTANCE OF MINUTES FROM SEPTEMBER 25, 2015: 9:12 a.m.

Chairman Hill opens the floor to any motion to accept or make changes to the meeting minutes from September. A motion is made by Mayor Goodman for the acceptance of the meeting minutes, and Mr. Sloan seconds the motion. The acceptance of the minutes passes unanimously with the exception of Mr. Sisolak, who was not present at the September meeting, and therefore abstains.

Chairman Hill closes Agenda Item 3.

4. CHAIRMAN/COMMITTEE COMMENTS: 9:14 a.m.

Chairman Hill states the meeting topics for the December and January meetings will be reversed, resulting in the December meeting focusing on pedestrian movement within the resort corridor and the January meeting focusing on roads, highways and mass transit. During the December meeting, in addition to the county addressing the improvements they have made regarding pedestrian movement, the committee will be hearing from Mr. Guy Hobbs of Hobbs, Ong and Associates. Mr. Hobbs will begin the discussion on funding mechanisms typically used to fund infrastructure improvements and what types of revenue generation would be expected from each.

Chairman Hill closes Agenda Item 4.

5. RESEARCH STAFF REPORT: 9:16 a.m.

Chairman Hill welcomes Mr. Jeremy Aguero, Principal at Applied Analysis. Mr. Aguero informs the committee that the process has begun for compiling the summaries from the previous meetings. The goal is to vet the documents and present them to the committee at the December meeting.

Chairman Hill closes Agenda Item 5.

6. PRESENTATIONS

a. The State of the Las Vegas Convention Market: 9:19 a.m.
-Rossi Ralenkotter, Las Vegas Convention and Visitors Authority

Mr. Rossi Ralenkotter, President and CEO of Las Vegas Convention and Visitors Authority (LVCVA), discusses the Las Vegas Convention Center's expansion and its importance on improving tourism. He states Las Vegas has ranked first in the trade show industry for the past 21 years. However, since the convention business is very competitive, many locations

are actively seeking to take conventions out of Las Vegas. Annually, Las Vegas hosts 5.2 million convention attendees but is still not at the peak levels reported in 2006. The loss of one 50,000-delegate convention will result in a \$70 million economic loss. Mr. Ralenkotter states it is a myth that Las Vegas sells itself. It takes a collective effort from the industry to maintain and grow business.

The Las Vegas Convention Center is over 50 years old and past due for an extensive renovation and expansion. The last expansion to the convention center was in 2002, where 1.3 million square feet of space was added. Mr. Ralenkotter points out some parts of the center date back to 1957. There desperately needs to be upgrades to technology, an increase in meeting and convention space, accessibility between the halls as well as food service upgrades.

Mr. Ralenkotter stresses the proposed project is the most aggressive master plan the LVCVA has ever embarked upon. The plan will initially create 5,900 construction jobs then 6,000 permanent jobs. The economic impact is \$3.6 billion for construction and \$700 million following completions. Mr. Ralenkotter states that Oxford Economics has worked with the LVCVA to determine whether Las Vegas has a demand for convention growth. Prospective shows will bring in 375,000 convention attendees, providing an overall economic impact of \$813 million. The LVCVA's goal is to increase mid-week occupancy rates. Additional convention delegates would drive mid-week occupancy as conventions tend to occur between Monday and Thursday.

The Las Vegas Convention Center's 25-year master plan is being carried out in four phases. This will protect the current market base by ensuring construction doesn't impact customers resulting in them going to another convention center. Mr. Ralenkotter highlights various conventions centers that have lost business due to construction. Mr. Ralenkotter shows the map of proposed Las Vegas Convention Center expansion. The first phase has already been funded and is currently under construction. It includes the acquisition of the Riviera Hotel property. Completion of demolition of that property is anticipated to occur in 2016, and site improvements to accommodate outdoor exhibit space are anticipated to be completed in early 2017. Notably, this space has already been leased for 2017.

Phase Two of the expansion is projected to be approximately 1.4 million square feet featuring 600,000 square feet of exhibit space and 150,000 square feet of meeting space, which has become a very important aspect of convention centers. This second phase will allow the LVCVA to relocate business to this building while renovating the current convention center campus for Phase Three. The LVCVA plans to replace, repair and modernize the aging facility. There will also be a connector that will allow food services to seamlessly move from one hall to the next, which has been a competitive disadvantage for the convention center in recent years. Phases Two and Three will cost about \$1.4 billion. Phase Four will include future improvements to the center based upon prevailing market conditions and direct customer feedback. The budget for the fourth phase cannot be projected at this time.

Mr. Ralenkotter states the LVCVA must be able to generate up to \$90 million annually to satisfy the debt service for the project. This is the first time the LVCVA has had to look outside for additional funding. Mr. Ralenkotter then talks about room tax history and allocation. Since 1959, the LVCVA has continued to lose percentages of room tax allocation. Today, the LVCVA receives only 32 percent of the room tax while education programs receive 38 percent. This results in the majority of a tourism-driven tax to not go towards promoting and improving tourism in southern Nevada.

Mr. Ralenkotter then opens the discussion to the show promoter panel.

b. Show Promoter Panel Discussion

- **Karen Chupka, Consumer Electronics Association**
- **Megan Tanel, Association of Equipment Manufacturers**
- **Tony Calanca, UBM/Advanstar**
- **Chris Brown, National Association of Broadcasters**
- **Christopher Kersting, Specialty Equipment Marketing Association**
- **Tim McGuinness, International Council of Shopping Centers**

Ms. Karen Chupka, Senior Vice President of The International Consumer Electronics Show (CES), states CES currently fills all three convention centers in Las Vegas and does not see much availability for expansion despite having growth in demand. Come 2018, CES will not have enough space and will need to look at alternative locations. Ms. Chupka notes that about 25 percent of attendees are international and questions if the United States is still the best location for CES. Ms. Chupka states CES recently launched its first show in Shanghai, China, where the city is putting finishing touches on a 5-million-square-foot convention center. Ms. Chupka points out CES spends over seven figures in transportation for their show. The LVCVA's master plan for the convention center is important to her show in that it does not take net space offline.

Mr. Chris Brown, Executive Vice President of Conventions and Business Operations for the National Association of Broadcasters, states their show is a few years away from being sold out. Mr. Brown points out his company already needs to get creative with space by building tents in the parking lot, which drives the cost up and makes it difficult to get the desired results. Lack of meeting space, which is used to drive new attendees through educational programs, is a key issue they are struggling with. Mr. Brown states it is extremely important to host an event in a building that reflects state of the art technology. The National Association of Broadcasters is constantly working with exhibitors and attendees to improve issues regarding food services, limited seating and easy access between halls and the Las Vegas Convention Center.

Mr. Chris Kersting, President and CEO of Specialty Equipment Marketing Association (SEMA), states the show this year is their largest to date, but they are struggling for space as the show is at maximum capacity. Looking toward the future, SEMA is challenged to create a facility that meets customer expectations. Mr. Kersting points out they are even struggling to get basic internet during the convention.

Mr. Tim McGuinness, Staff Vice President for the International Council of Shopping Centers, conveys a story of his experience just a couple of years ago when he was tasked by the executive board to look at other venues for their event, including Orlando and Chicago. The initial vote was 23 to 1 to leave Las Vegas due in large part to the Las Vegas Convention Center's scope and outdated structure. The board eventually voted to keep the show in Las Vegas for another five years, but the initial vote to leave demonstrates how important the facility is to shows like his.

Ms. Megan Tanel, Vice President of Exhibitions and Events for the Association of Equipment Manufacturers (CONEXPO-CON/AGG), hosts a large-scale show in Las Vegas every three years. There are additional shows that could come to Las Vegas but are restricted due to lack of space during their desired dates. Ms. Tanel points out that CONEXPO's 2017 show is over 1 million square feet ahead of where it was last show cycle, which means they are already sold out of floor space. CONEXPO spends millions of dollars each year to create additional indoor space. Ms. Tanel states the floor plan for the Las Vegas Convention Center's expansion is already too small for them. Ms. Tanel address the misconception that there is no other place for conventions to go. She has had preliminary discussions to look at other venues. German MESSEs support the exhibition industry and build facilities all over the world. The Association of Equipment Manufacturers proposed the idea of partnering with these MESSEs to build a facility in the United States. Ms. Tanel states the Las Vegas Convention Center is outdated and does not have the new technology they need. One reason why many people don't want to come to the Las Vegas show is because there is not a quick form of transportation to move delegates throughout the city.

Mr. Tony Calanca, Executive Vice President of Advanstar, states his company fills the Las Vegas Convention Center as well as the Mandalay Bay Convention Center. Advanstar spends about \$1 million a show on transportation. Even with this effort, many customers can be off the exhibit floor waiting for transportation for up to 45 minutes. Mr. Calanca states the LVCVA's plan for the convention center is not long term enough and not big enough. Las Vegas will not stay world-class by being reactive and doing just enough to get by. In order to stay world-class, Las Vegas needs to ensure there are no small plans.

Chairman Hill asks the panel members if they feel the facility outlined in the LVCVA's plan will be world-class but isn't big enough, or are there deficiencies in the plan that will hinder the facility in being world-class. Mr. Chupka believes the plan is well conceived but is concerned that this planning is too late. Mr. Brown states many companies are looking for a private and VIP-level experience in a convention center. Mr. Brown highlights how important food service is to the convention delegate. Mr. Kersting states the focus on the transportation is just as important as the quality of the facility. Mr. Tanel states that Phase Three is what the company is specifically looking for in terms of technology and food services. She states the LVCVA is planning on adding the crucial elements that would turn the center into a world-class facility. Mr. Calanca states the layout of the building will not create a world-class building when compared to other facilities around the world. He states the South Hall needs to be completely redone.

Mr. Ralenkotter states the convention center has evolved over the years but needs to be redeveloped as a facility that is useful for the customers. He notes improvements need to be made not just on the convention center but also on the transportation required to move convention delegates around the city.

Ms. Sinatra is concerned there is a lack of planning for the new facility. She asks the panel for specific input on what drives companies to choose convention locations. Mr. McGuinness states hotels, transportation and labor cost are major deciding factors. Ms. Chupka highlights one of the selling points of the city is the fact that there are the three convention centers and an abundance of hotel rooms located in close proximity. There is also the convenience of party venues, restaurants and various entertainment that entices customers. Ms. Chupka makes the statement that the expansion of the convention center may not be the best piece of land but it's the best opportunity.

Mr. Markantonis asks to what extent the increase in attendance is a result of the show being in Las Vegas. Ms. Tanel states Las Vegas as a destination is in fact a large part of the marketing plan. Las Vegas draws a large number of international tourists who come here to see the world-class restaurants and hotels, but are then disappointed when it comes to the convention center itself because it does not reflect world-class standards. So promoting Las Vegas to convention delegates may help the hotels, but it does not help exhibitors if customers are not coming to the shows and buying products. Mr. McGuinness states when his shows rotated out of Las Vegas and came back there was a 10 to 15 percent increase in attendance. Ms. Chupka points out there are other locations, specifically international, that can drive attendance just as well as Las Vegas. Mr. Kersting says the Las Vegas brand is valuable but once you stack enough things against it, a show will no longer be successful.

Mr. Sisolak brings up the fact that the room tax distribution issue needs to be resolved and education should not rely on tourist-driven room tax that was designed to ensure the competitiveness of southern Nevada's core tourism industry. The money should be allocated to tourist needs such as McCarran, Las Vegas promotion and special events.

Mayor Goodman asks if there is any chance the panelists would be interested in entering into a partnership with the LVCVA to fund these renovations. Ms. Tanel states her company has helped in many ways to support any needs the LVCVA has had. Ms. Chupka states many companies are not-for-profit organizations, so investments would potentially be minimal.

Mr. Hornbuckle asks Mr. Ralenkotter about the timing of these phases and net square footage. Mr. Ralenkotter states the first phase is under construction and will be done by late December 2016. The remaining phases will be based upon receiving additional funds. Phase Two is 1.4 million square feet of gross space, which includes 600,000 square feet of exhibit space and 200,000 square feet of meeting room space. Once Phase Two is done, Phase Three will begin. These three phases would ideally be done by 2022.

Mr. Noonan asks the panel if they feel Las Vegas is maximizing the three convention centers to fulfill their needs. Ms. Chupka states that due to the growth CES is experiencing,

they are realizing they need additional space, with open exhibit space being their biggest problem. They need to look toward temporary structures to accommodate additional demonstrations. Ms. Tanel says regardless of the size of the space, they need better transportation between the three convention centers. They would be more open to using the additional convention space, but they need a way to get the attendees there easily. Ms. Chupka states the monorail ridership is 147,000 people for the four-day show and is only going to Las Vegas Convention Center, which is a mere 50 percent of their show. Mr. Brown states that they are able to grow into the Sands Expo Center, but staying on one campus drives a better density of exhibitors.

Chairman Hill redirects the questions from the committee to Mr. Ralenkotter.

Mr. Jenkin asks if Mr. Ralenkotter has thought about making Phase Two bigger and splitting it into two phases, A and B, to speed the project up. Mr. Ralenkotter states the LVCVA has analyzed multiple scenarios, but these are the conversations they need to have with the customers to determine what they need.

Mr. Jessup asks if building the convention center vertically would be beneficial. Mr. Tanel states a multi-level structure will not accommodate her equipment without having exceptionally high ceilings. Mr. Chupka points out weight restrictions on the upper floors is always a concern. Mr. Kersting then highlights the South Hall, which is multi-level, needs to be renovated to have multiple entries and freight-points.

Mr. Ralenkotter introduces Mr. Terry Miller from Cordell Corporation to discuss the financing and timeframe for the project. Mr. Miller states that a majority of the requested information has been provided in the master plan document. Mr. Miller will return in December to discuss the master plan in depth.

Mr. Sisolak asks what the LVCVA would receive for each additional percent of room tax allocation to service the debt that the project will bring. Ms. Rana Lacer, Senior Vice President of Finance for the LVCVA, states they currently receive \$195 million from the 32 percent allocation of the room tax. A percent of the room tax allocation is worth about \$6 million which can service about \$60 million of debt.

Chairman Hill closes Agenda Item 6a and 6b.

c. Operator Perspective | Las Vegas Sands
- George Markantonis, Pete Boyd, Kirsten Dimond and Chandra Allison, Las Vegas Sands, Sands Expo Center

Ms. Chandra Allison, Vice President of Sales, states the Sands Expo Center features 2.25 million square feet of flexible exhibit and meeting space. The Sands Expo Center event space is connected to the Venetian and Palazzo, offering attendees the convenience of hotel amenities close to the exhibit floor.

Ms. Kirsten Dimond, Vice President of Operations, notes that in 2013, the Sands Expo Center underwent a \$33 million renovation that lasted nine months while keeping the space completely operational. This year, the Sands Expo Center invested \$6 million in a four-month-long kitchen renovation that also occurred while the center remained operational. This remodel increased kitchen capacity by more than 20 percent. Overall, the Sands has invested nearly \$8 million in infrastructure upgrades since 2012, allowing the Sands Expo Center to become a leader in technology. However, an issue that still exists is traffic congestion along Sands Avenue and Koval Lane, specifically during shows.

Ms. Allison emphasizes that the Sands Expo Center has capacity to grow each month to reach its peak from 2008. Overall, the Sands Expo Center needs to grow 12 percent to reach the theoretical peak capacity, 11 percent to reach historical group rate peak and 10 percent to reach theoretical group room occupancy peak.

Mr. Markantonis states if there is a ceiling to what can be financed then the state's decision-making process should come down to its priorities. The Sands believes the airport and transportation are the primary needs. In addition, University of Nevada, Las Vegas is in need of a stadium to become a top-tier university. Mr. Markantonis reiterates the Sands is not at its peak, but they have the land and money to expand their facility when they feel the market is ready for such an expansion. They feel the center should get back to its peak before continuing to expand. In this context, they are hesitant to support the use of tax dollars on projects that could compete with the Sands or relocate current business, particularly when there are other community priorities where there is no private sector alternative to fund them such as road, the airport and schools. The Sands is not denying the LVCVA needs improvement in regards to technology and upgrades. However, they believe that while there is still excess space that is available in the market, tax dollars should not be used to increase square footage of the facility of the Las Vegas Convention Center.

Mr. Sisolak asks why clients are not renting additional space from the Sands if they have reached capacity at the Las Vegas Convention Center. Ms. Allison states this is a question for the customers but there are opportunities to co-locate. Mr. Sisolak asks if the Sands and Las Vegas Convention Center coordinate on conventions coming to Las Vegas. Ms. Allison states she has a team that researches customer opportunities, but they do also coordinate with the LVCVA.

Mayor Goodman asks what percentage of total conventions in Las Vegas are coming in through LVCVA and what amount is self-solicited convention business. Mr. Ralenkotter states the customer makes the ultimate decision on where they would like their convention to be located. The LVCVA works collectively with the other convention centers to bring business. About 50 percent of conventions are held at Las Vegas Convention Center, 30 percent at the Sands Expo Center and 20 percent at Mandalay Bay Convention Center. If LVCVA gets a lead on a convention they do not have space for, they provide that information to the other convention centers.

Ms. Sinatra states historically convention centers cannot be privately done because there is not enough business to make a profit year round. Convention centers in other locations are

government agencies supported by tax dollars because, on their own, they don't turn a profit. However, places like Sands and MGM found a way to make revenue off these events because they have large room inventories and can afford to build these venues. The business issue here is whether customers should choose a privately owned location or publicly owned.

Chairman Hill asks if the theoretical peak is possible to identify. Ms. Allison states they continue to explore what that number could be, but currently they are running at an occupancy of about 69 percent. Chairman Hill then asks where the Sands would be able to expand to and how large the expansion may be. Mr. Markantonis states there are areas that can be repurposed but he is unable to disclose specific details at this time.

Chairman Hill closes Agenda Item 6c.

- d. Operator Perspective | MGM Resorts International: 12:49 p.m.**
 - Michael Dominguez, MGM Resorts International, Mandalay Bay Convention Center**
- e. Operator Perspective | Caesars Entertainment: 12:49 p.m.**
 - Michael Massari, Caesars Entertainment**

Mr. Michael Dominguez, Senior Vice President and Chief Sales Officer for MGM Resorts International, and Mr. Michael Massari, Senior Vice President of Meetings and Events for Caesars Entertainment, choose to present together since collectively they represent about 70 percent of the tourism market in Las Vegas.

Mr. Dominguez states MGM's room tax revenue accounts for 35 percent of the total room tax revenue in Las Vegas and only 32 percent of that tax revenue goes into promoting tourism. Mr. Dominguez then highlights that the United States as a whole is expanding in the hospitality industry. Las Vegas may not be fully recovered, but the United States is. This means the business must be going to other locations. Mr. Dominguez then points out the MGM has benefited from the Moscone Center in San Francisco undergoing renovation. For example, there is a large technology group that has now booked with the MGM for the next three years, and MGM is going to do everything they can to ensure these conventions stay in Las Vegas. Thus, Mr. Dominguez indicates that his company believes that the LVCVA's thought process in regards to expansion is the right process. MGM supports spending tax dollars on an upgraded convention center because conventions drive a great deal of tourism. Mr. Dominguez points out the Las Vegas Convention Center has been slow to modernize and these planned improvements are not going to get us ahead, they are merely catching us up.

Mr. Massari states Caesars supports the phases of renovation to keep the existing customers because they have seen conventions get taken by competing locations due to renovation. Additionally, Mr. Massari states the market needs more meeting space.

Mr. Sisolak asks what can be done to compress the timelines of public facilities being built. Mr. Ralenkotter states it comes down to the government laws that need to be followed, resulting in a longer process.

Chairman Hill closes Agenda Item 6d and 6e.

f. Future of Transportation: 1:57 p.m.

- Bruce Belzowski, University of Michigan Transportation Research Institute

Mr. Bruce Belzowski, Managing Director of Automotive Futures at the University of Michigan, states it is hard to predict what will happen by 2050 in terms of transportation due to the quickly changing industry. Only 3 percent of cars on the roads are alternative energy vehicles, which demonstrates the timeframe for turning cars over in the United States. On average, vehicles in the United States are 11 years old. Mr. Belzowski states a new innovation that is being tested by Tesla is aftermarket upgrades to vehicle features after initial sale. He then highlights how there has been a history of government regulations in the automotive industry including the Clean Air Act of 1970 and the push for electric vehicles. It is predicted that by 2025, spark-ignited engines will decrease drastically to 50 percent for passenger cars as the shift to hybrids and diesels occur.

In regards to the future, Mr. Belzowski states there are numerous technologies looking to emerge that will help decrease the deaths and injuries on the roadways. Some of these technologies include dedicated short-range communications, radar, ultrasonic sensors and advanced GPS systems. The Sustainable Mobility and Accessibility Research and Transformation (SMART) connects forms of transportation through IT enabled technologies. Also, the Mobility Transformation Center at the University of Michigan looks at ways of connecting vehicles to one another in regards to safety issues. Future transportation trends include the increase in vehicle miles traveled (VMT) by 50 percent to 4.5 trillion miles annually by 2050. Major automotive issues include the fact that 30 percent of all carbon emissions and 70 percent of oil consumption comes from transportation.

Mr. Belzowski states autonomous vehicles will go through five major levels of development: no-automation, function-specific automation, combined function automation, limited self-driving automation and full self-driving automation. Mr. Belzowski lists a number of applications for both vehicle to vehicle (V2V) and vehicle to infrastructure (V2I) communication. V2I allows the vehicle to receive information from further down the road to allow the driver to get advanced features such as weather warnings, information about pedestrians and advanced signal controls.

Mr. Belzowski points out that a part of Ann Arbor, Michigan has been automated with all the sensors that a connected vehicle will need in order to test V2I functions. Additionally, MCity, which opened in July 2015, also tests the V2I features in a city-like environment.

Ms. Tina Quigley asks Mr. Belzowski what type of infrastructure would need to be invested in to support autonomous vehicles. Mr. Belzowski states cars are only using the sensors on

the vehicles, so there doesn't seem to be any additional infrastructure needed at this time. The connected piece that allows vehicles to look down the road and get information is not currently in use. Mr. Belzowski states there is no pavement design to accommodate these autonomous cars, but we are in the very early stages.

Chairman Hill asks if Mr. Belzowski anticipates if autonomous vehicles will allow increased density on roadways. Mr. Belzowski states that cars are only driven for about 5 percent of their ownership cycles. If there was a shared vehicle that moved multiple passengers throughout the day, it could potentially cut down on traffic but this cannot be proven unless tested.

Chairman Hill points out funding on roadways through the gas tax is going to be difficult with cars becoming more environmentally friendly. Mr. Belzowski informs the committee that the state of Georgia once offered rebates on hybrids but is now taxing them to help pay for their roadways.

Mr. Hornbuckle asks if there are any environments that are implementing innovations like Google maps into a traffic system for autonomous vehicles. Ms. Quigley states many car manufacturers are implementing this into their vehicles in a type of V2I system feature.

Chairman Hill closes Agenda Item 6f.

g. Convention Logistics: 2:41 p.m.
- Jeff Pressman, ConvExx

Mr. Jeff Pressman, President of ConvExx, states that in order to make a more pleasant experience, convention centers need to be able to provide an immersive experience for the attendee while providing easy access to the center's neighboring hotels. Mr. Pressman notes the use of the LINQ parking lot, adjacent to the Sands Expo Center, would create a safe and viable path for the attendees.

In regards to the SHOT Show at the Sands Expo Center, Mr. Pressman states there are 2,000 companies on the wait list for exhibit space that cannot be accommodated due to Mandalay Bay and Las Vegas Convention Center also being at capacity during that week. These companies cannot change weeks due to the buying cycle of the industry.

Ms. Quigley asks what the most difficult transportation challenges are that Mr. Pressman experiences in regards to moving his shows. Mr. Pressman states one of the challenges is the traffic surrounding Sands Avenue and Koval Lane that puts a great strain on not only the attendee experience but also the exhibitor experience. During the SHOT Show, there are 150,000 trailers that have empty crates which need to be taken 5 miles away from the convention center during the show, but are then brought back when the show is over. This process takes about 15 hours and is frustrating for the exhibitors.

Mr. Pressman states he has been involved in the discussion with the RTC on upcoming proposals to transportation in Las Vegas. Mr. Markantonis asks if the roadway issue is just

Koval. Mr. Pressman states it's a combination, but since Las Vegas is unique in that there are only a few street options, it creates traffic flow issues.

Chairman Hill closes Agenda Item 6g.

h. The Competitive Convention Market: 2:50 p.m.
- Charles Johnson, Johnson Consulting

Mr. Charles Johnson, President of Johnson Consulting, notes it is important to look at why convention centers are built. These types of venues have always been used to bring products into the distribution channel. There is an enormous amount of education that goes on at these venues, which contributes to the need of increased meeting and ballroom space. Mr. Johnson notes that Las Vegas has built a merchandise and distribution center in a market that is not a natural place for these venues. The types of products sold in this community do not have much bearing on Las Vegas's economic base. Mr. Johnson points out that although Las Vegas has a large amount of hotel rooms, this does not make the convention centers in Las Vegas unique because other locations also have hotel rooms either connected or in close proximity to their centers.

Mr. Johnson states the reason why MESSEs exist in China and throughout Asia is because these locations have such great population concentrations in the few cities where these facilities exist. Government agencies sponsor these MESSEs for the sole purpose of advancing their economic sectors. This mindset does not exist in the United States due to the many venue options.

Mr. Johnson emphasizes that in-person meetings will continue to be the primary mechanism to communicate, sell and socially exchange. The Internet is actually aiding to stimulate this growth and investment. Mr. Johnson states that in a recent survey, 53 percent of participants predicted an increase in live-attendance meetings. The following year, this percentage increased to 62; whereas, predictions for virtual attendance saw an 11 percent decrease in this category.

Mr. Johnson points out Las Vegas's downtown and convention center district is not as flourishing as other locations. Also, Mr. Johnson notes that room tax in other locations is dedicated to tourism related activities. By letting the room tax be used for non-tourism activities, Las Vegas has affected the capability of venues to be able to be successful. Chicago has implemented various funding mechanisms to allow its convention center to prosper such as a 1 cent food and beverage tax around downtown Chicago which is dedicated to funding McCormick Place, Chicago's convention center.

Mr. Johnson states it is hard to tax the individual attendee. The reason being is there are so many competitive venues in the United States that it becomes difficult to exert pressure on the show management company to get them to pay more. However, some funding resources have been sales tax, hotel tax, and food and beverage tax. Some communities, such as Nashville, have linked the real estate growth to the funding of the convention center. This

type of funding depends greatly on urban development and creates a partnership to build the community as well as the convention center.

Mr. Noonan asks Mr. Johnson if he has any research on millennials as far as the wanting to participate and be a part of trade show organizations. Mr. Johnson states there is a desire in millennials to want to be a part of trade associations. However, in some cases it has been the trade association that has not done an effective job in morphing itself to be attractive to millennials. Mr. Johnson states attendance for millennials at conventions is increasing. He emphasizes marketing through technology is vital to attract millennials. Mr. Johnson points out that Las Vegas's pride has the potential to hinder the state from doing what needs to be done.

Chairman Hill asks about methods for comparative cost benefit analysis in the industry. Mr. Johnson believes the question here should be what would happen if the convention center were to shut down. Visitation and revenue for Las Vegas would drastically decrease and put a strain on the tourism industry.

Chairman Hill closes Agenda Item 6h.

7. DECEMBER MEETING PREVIEW: 3:55 p.m.

Mr. Jeremy Agüero directs the committee to the report titled "Pedestrian Movement in the Resort Corridor." Mr. Agüero highlights the abundance of pedestrians who navigate within the resort corridor, specifically those individuals who move without a particular interest other than to observe the Las Vegas Strip. Mr. Agüero then points out to the helpful links at the back of the document that were used to gather this background information for the December 3rd meeting.

Chairman Hill closes Agenda Item 7.

8. COMMITTEE MEMBER COMMENTS: 3:58 p.m.

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

9. PUBLIC COMMENT: 3:59 p.m.

There are no comments from the public. Chairman Hill closes Agenda Item 9.

10. ADJOURNMENT: 4:00 p.m.

MAYOR GOODMAN MAKES THE MOTION TO ADJOURN THE COMMITTEE MEETING. MR. MARKANTONIS SECONDS THE MOTION. THE MOTION IS PASSED UNANIMOUSLY.