

**SOUTHERN NEVADA TOURISM INFRASTRUCTURE
COMMITTEE MEETING
December 3, 2015**

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

1. ROLL CALL/CALL TO ORDER/ESTABLISH QUOROM

BOARD MEMBERS PRESENT

Mr. Steve Hill, Committee Chairman
Mr. Steve Sisolak, Chairman of the Clark County Commission
Ms. Kristin McMillan, President and CEO of the Las Vegas Metro Chamber of Commerce
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

BOARD MEMBERS ABSENT

Mr. Len Jessup, Committee Vice Chairman
Ms. Carolyn Goodman, Mayor of City of Las Vegas
Mr. Tom Jenkin, Global President of Caesars Entertainment

ADVISORY COMMITTEE MEMBERS PRESENT

Ms. Elizabeth Fretwell, City Manager of the City of Las Vegas
Mr. Don 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: 9:05 A.M.

Mr. Craig Galati with the Lucchesi, Galati Architects, Inc. states that for a city to have effective transit, there needs to be an emphasis on the walkability of the city. Mr. Galati offers that to make transit thrive on Las Vegas Boulevard, there needs to be the same vibrant, Las Vegas experience that is offered inside resort properties on the sidewalks.

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

3. ACCEPTANCE OF MINUTES FROM OCTOBER 22, 2015: 9:07 A.M.

Chairman Hill opens Agenda Item 3 for any motion to accept or amend the meeting minutes from October. A motion is made by Mr. Hornbuckle for the acceptance of the minutes. Mr. Sloan seconds the motion. The October meeting minutes pass unanimously.

Chairman Hill closes Agenda Item 3.

4. CHAIRMAN/COMMITTEE COMMENTS: 9:08 A.M.

Chairman Hill offers that for several years both Clark County and the City of Las Vegas have done an exceptional amount of work on pedestrian movement.

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

5. RESEARCH STAFF REPORT: 9:10 A.M.

Mr. Jeremy Aguero, Principal at Applied Analysis, notes that he has a few items to go through with the committee. The first is the Las Vegas Visitor Profile Matrix, which highlights all the key indicators for tourism in Las Vegas. This matrix is to be used by the committee as a quick-reference document. Next, Mr. Aguero references the report on the connections between southern Nevada and California. This report addresses how dependent southern Nevada's economy is on California and the importance of those linkages.

Chairman Hill asks how Mr. Aguero takes into consideration publically traded ownership of real property. Mr. Aguero states that if the publically traded entity has a California address and owns that asset, it would be counted as such.

Mr. Aguero then turns the committee's attention to the report chapter drafts on McCarran International Airport and Stadiums, Arenas and Event Centers. Mr. Aguero asks the committee to review the chapters and provide any direction relative on how the structure of the report can be improved to include anything the committee may need.

Mr. Hornbuckle asks how questions should be addressed to Mr. Aguero regarding these reports. Mr. Aguero states that the work sessions in February and March may be the best time to work through these questions. Comments on the reports can be submitted to Mr. Aguero directly via email, as long as the number of committee members does not reach a quorum.

Ms. Rosemary Vassiliadis then states McCarran International Airport is currently engaged in a capacity study. Thus, the 55 million passenger capacity may have been a conservative number. Once the results of the study are found, Ms. Vassiliadis will share those with the committee.

Chairman Hill closes Agenda Item 5.

6. PRESENTATIONS: 9:31 A.M.

a. Pedestrian Movement within the Resort Corridor: 9:31 a.m.

- **Mr. Don Burnette, County Manager of Clark County**
- **Mr. Denis Cederburg, Director of Public Works for Clark County**
- **Mr. Joseph Lombardo, Sheriff of the Las Vegas Metropolitan Police Department**

Mr. Don Burnette, County Manager of Clark County, introduces himself and Mr. Denis Cederburg, Director of Public Works for Clark County. The county's conversation regarding pedestrian movement began in 2011, when county officials walked along the resort corridor with property representatives. After that walk, a working group was formed and met 13 times over the course of six months to understand legal issues related to pedestrian movement. Over that period, the group developed 32 recommendations, most of which have been implemented.

Mr. Burnette lists some of the recommendations that have been implemented, such as the replacement of permittee-installed news racks with uniform, county-owned and maintained news rack. The county purchased 360 news racks in total and expects to have all news racks replaced by early 2016. Additionally, the county has required hand billers to periodically clean discarded handbills within a 25-foot radius. The county has also contracted with a private firm to provide two around-the-clock workers who are responsible for keeping the sidewalks clean.

With regards to public safety, Mr. Burnette highlights the system of security cameras that have been installed along Las Vegas Boulevard that are monitored by the Las Vegas Metropolitan Police Department. To date, the county has spent \$750,000 to install 65 cameras.

In 2012, the county commissioned a pedestrian study to determine primarily where the congestion issues were. Mr. Burnette notes that this study was conducted during a peak tourist timeframe. The result was that 17 percent of Las Vegas Boulevard exceeded the Level-of-Service (LOS) C, a federal measure that defines the relative degree of convenience of different pedestrian traffic volumes and densities as determined by the Highway Capacity Manual. Recommendations that were implemented as a result were widening sidewalks in some areas to a minimum of 15 feet, removing permanent obstructions such as fire hydrants, bollards and trash cans, and installing as well as updating "No Obstruction Zones." Since 2012, the county, with the assistance of some resort properties, has widened roughly 1,700 linear-feet of sidewalk. The updated 2015 pedestrian study found that areas exceeding LOS C were reduced to 12 percent. However, there has been a 25 percent increase in non-permanent obstructions, such as hand billers.

Mr. Burnette explains that one recommendation from 2012 that has not been implemented is the commitment of additional law enforcement resources in the Las Vegas resort corridor. Mr. Burnette then turns the presentation over to Sheriff Joseph Lombardo with the Las Vegas Metropolitan Police Department (Metro). Sheriff Lombardo states that

Metro receives about 3.3 million calls annually in the communications dispatch center, 600,000 of which are calls for service. Of those calls for service, about 22 percent are sourced to Las Vegas Boulevard.

Sheriff Lombardo states there are currently 123 officers assigned to the Convention Center Area Command, which includes Las Vegas Boulevard and nearby residential and commercial areas. On average, there is a maximum of 30 officers assigned to Las Vegas Boulevard during a shift. Therefore, if there is an average of 300,000 tourists on the Strip per day, then the officer ratio is less than one officer per 1,000 tourists. However, Sheriff Lombardo states there is a program titled “Safe Strip” that is funded by the major resort properties to support overtime officers during Friday and Saturday evenings. These officers are assigned to the front of each property during the peak months of April through November. Total annual funding for “Safe Strip” is about \$1.5 million.

Sheriff Lombardo then compares Las Vegas Boulevard’s 4.5 mile-long tourist attraction to New Orleans and New York’s Times Square. New Orleans’s popular attraction, Bourbon Street, experiences about 9.5 million visitors per year and has about 100 officers assigned to the 1.2 mile-long area. Additionally, Times Square, which is approximately five city blocks, has about 100 officers assigned who patrol continually throughout the day.

Sheriff Lombardo states that given the existing police department’s budget, the increase in police staffing will not match the predicted population and tourist growth. Sheriff Lombardo then suggests that in order to properly serve Las Vegas Boulevard, there needs to be additional officers that would come as a result of increasing Metro’s budget through an added revenue stream.

Chairman Hill asks Sheriff Lombardo if he feels there is an additional percentage needed for police presence on the Strip in comparison to the rest of the community or would the additional revenue be applied to the Strip corridor proportionally as it would to the rest of the community. Sheriff Lombardo anticipates that any additional revenue to hire new officers would be adjusted accordingly to address the call volume associated with Las Vegas Boulevard, but he does not feel that there needs to be a specific revenue stream just for officers on Las Vegas Boulevard.

Ms. McMillan asks Sheriff Lombardo to describe the level of enforcement activity for the obstructionist activity on Las Vegas Boulevard. Sheriff Lombardo states that about 48 percent of total officer time is spent on these activities. However, there are constraints to limiting these activities due to the First Amendment. Sheriff Lombardo then states that due to other constraints on the Clark County Detention Center budget, it is difficult to incarcerate an individual associated with an obstruction violation. Sheriff Lombardo states that prevention is more successful than reacting and arresting.

Mr. Markantonis asks if there are any projects that can be implemented to enhance pedestrian movement along Las Vegas Boulevard. Mr. Cederburg states that the county currently has a program to remove obstructions along Las Vegas Boulevard that is funded through the room tax.

Mr. Sisolak asks Sheriff Lombardo how effective it would be to buy additional security cameras for Las Vegas Boulevard. Sheriff Lombardo states those cameras cost about \$50,000 each, so the money associate with them would require a significant investment. Mr. Sisolak believes that this is something that needs to be looked into further.

Chairman Hill thanks Mr. Burnette, Mr. Cederburg and Sheriff Lombardo for their presentation and welcomes the City of Las Vegas.

- **Ms. Elizabeth Fretwell, City Manager of the City of Las Vegas**
- **Mr. David Bowers, Director of Public Works for the City of Las Vegas**

Mr. David Bowers, Director of Public Works for the City of Las Vegas, references the latest visitor transportation survey to highlight some of the key findings, such as concerns over the walkability of sidewalks and lighting away from the Fremont Street Experience. The City of Las Vegas's programmed improvements include widening the sidewalks to 10 to 15 feet, shading the sidewalks, increasing lighting levels, adding police presence and increasing taxicab zoning locations.

Mr. Bowers suggests that the addition of a downtown circulator would resolve the concern that tourists have with moving around the downtown area, such as from Fremont Street to the Las Vegas Premium Outlets. Mr. Bowers states the circulator would be a free service with a fixed route, similar to transportation options in other large cities.

Similar to Las Vegas Boulevard, Fremont Street Experience has increased its police presence by implementing a pilot program consisting of four City Marshals, bringing in additional Metro patrol during events and installing 22 police-operated security cameras.

Over the past seven years, Ms. Fretwell said there has been a total of \$47 million invested in pedestrian enhancements. The City of Las Vegas anticipates there will need to be an additional \$177 million in transportation funding needs, including new interchange access into downtown.

Ms. McMillan asks if the City of Las Vegas anticipates any impacts on pedestrian traffic as a result of Project Neon. Mr. Bowers states they do expect to see more movement, but they have been increasing the sidewalk widths in preparation for this increase in traffic.

Mr. Noonan asks the City of Las Vegas to provide more detail on the funding for the downtown circulator. Mr. Bowers states they have reached out to other cities to see what they were doing, which is when they heard of the electric vehicle. The funding for this is not finalized, but the vehicle may be part of a pilot program that would be privately funded. Ms. Fretwell states that this pilot program will give downtown the opportunity to test this mode of transportation to see how it will work and decide if it would be worth making a significant investment.

Chairman Hill thanks Ms. Fretwell and Mr. Bowers and closes Agenda Item 6a.

b. The Las Vegas Convention Center Master Plan: 11:11 a.m.

- **Mr. Rossi Ralenkotter, President and CEO for the Las Vegas Convention and Visitors Authority**
- **Ms. Rana Lacer, Senior Vice President of Finance for the Las Vegas Convention and Visitors Authority**
- **Mr. Terry Miller, Principal and Co-owner of Cordell Corporation**

Mr. Rossi Ralenkotter, President and CEO of Las Vegas Convention and Visitors Authority (LVCVA), gives a review of how the LVCVA arrived at the Las Vegas Convention Center District's Master Plan. Mr. Ralenkotter states that in knowing the Las Vegas Convention Center needs to be updated and that exhibitors require additional space, the strategy needs to be based around protecting the \$28 billion of business that the convention center currently has on its books over the next 10 years.

Mr. Terry Miller, Principal and co-owner of Cordell Corporation describes the four phases of the Las Vegas Convention Center District's Master Plan. To explain how the LVCVA arrived at how much space needs to be added in Phase Two, Mr. Miller explains the exhibition space of a convention center is typically 35 to 50 percent of the entire footprint of the building, meeting room space is typically 25 percent of the exhibit space and pre-function space is typically 35 percent of the exhibit space. Then, the support and services space should each be about 25 percent of the total exhibit, meeting room and pre-function space. This brings the total gross square footage to 1.4 million square feet of new space for the convention center. Once Phases Two and Three are complete, there will be 2.5 million square feet of exhibition space. This is still about 100,000 square feet less than Chicago's convention center, but 400,000 square feet more than Orlando; however, both of these facilities are expanding.

Mr. Miller then talks about how the budget for the Master Plan was formed. The budget was created based on Cordell's experience and conversations with construction personnel. Additionally, the budget was reviewed by Richardson Construction, a third party that has experience in Las Vegas. Mr. Miller then breaks down the costs that will bring the total budget of Phase Two to \$600 per square foot. For Phase Three, the additional space will cost \$695 per square foot due to the structural and system elements, while the renovation of the current facility will cost \$44 per square foot. This brings the total cost for Phases Two and Three to \$1.4 billion.

Mr. Miller then details the time scheduling of the Master Plan. Mr. Miller notes that since the LVCVA is a public agency, it cannot move forward without funding in place. If the budget is approved, Phases Two and Three are expected to be complete by 2022.

Ms. Rana Lacer, Senior Vice President of Finance for the Las Vegas Convention and Visitors Authority, provides a brief review of the finances for the LVCVA. In the SNTIC work session in early 2016, Ms. Lacer will provide a comprehensive review of the funding analysis that the LVCVA has completed, as well as the estimated resources essential to fund the Las Vegas Convention Center District's Master Plan. Ms. Lacer points out that

the LVCVA receives about 82 percent of the revenue from room tax and 16 percent from facility use fees. Ms. Lacer notes that since the LVCVA is a government agency, its debt is considered municipal debt that is limited to financing available under Nevada state law, generally achieved through long-term bonds.

Ms. Lacer states that in 2012 she engaged specialized public financing advisors to conduct an analysis of the LVCVA's debt capacity. It was estimated that over the next 10 years, the LVCVA could afford \$400 million for the Master Plan project. There were three additional capacity studies done, and each arrived at similar results.

Chairman Hill asks Ms. Lacer if the \$400 million is the unused capacity. Ms. Lacer states the \$400 million that was estimated in 2012 was in fact the unused capacity. However, by the time the Riviera Hotel demolition and site improvements are complete, the majority of the \$400 million capacity would be exhausted. Ms. Lacer states that over the next five to six years, the remaining capacity would be less than \$100 million.

Mr. Ralenkotter details the LVCVA's return on investment. The overall return on operation investment is \$19 to \$1, which includes direct, indirect and induced impacts. When looking at the Convention Center District over a 10-year timeframe, among the trade shows that indicated they would come to Las Vegas if the LVCVA completes this project, there will be around 70 new events bringing in about \$4 billion in economic impacts. This equates to \$3 for every \$1 investment relative to this project.

Chairman Hill suggests that the LVCVA submit its documentation as if it were going to present in January so that the committee has the opportunity to review the material before the work session in February.

Mr. Hornbuckle comments that Mr. Miller's cost figures are reasonable compared to those that MGM Resorts International paid for their convention center expansion.

Chairman Hill thanks Mr. Ralenkotter, Ms. Lacer and Mr. Miller for their presentation and closes Agenda Item 6b.

c. An Additional Perspective: 12:38 p.m.

- Mr. Jonas Peterson, CEO of the Las Vegas Global Economic Alliance

Mr. Jonas Peterson, CEO of the Las Vegas Global Economic Alliance, briefly explains what the Las Vegas Global Economic Alliance does for Clark County and emphasizes that the target industry is the tourism industry. Mr. Peterson shows that Clark County's economy is growing.

Mr. Peterson states that one of the most important regional projects is the Interstate 11 and Intermountain West Corridor. He suggests this project is an opportunity to connect southern Nevada to neighboring markets, such as Phoenix and Los Angeles. Additionally, this project would connect Las Vegas to the CANAMEX trade corridor, giving southern Nevada access to manufacturing and ports in Mexico. Mr. Peterson states the return on

investment for this project outweighs the initial cost, so the Las Vegas community should be looking to advance this project.

Mr. Peterson highlights that according to the Brookings Mountain West report, the southern Nevada economy is missing a university medical school, an interstate highway connecting to neighboring metropolitan areas, a rail transit system and a large capacity stadium. Mr. Peterson states Clark County needs to continue positioning itself as the intellectual capital of global gaming by putting emphasis on gaming manufacturing. Mr. Peterson then mentions some other industries that would benefit Las Vegas's economy, including film and media development, indoor agriculture and video game production.

Mr. Peterson then references a recent survey done by the Las Vegas Global Economic Alliance that asked participants how much they would be willing to pay to improve mass transit in the community. About 43 percent of participants stated they would be willing to pay \$100 per year. Therefore, there is support for funding infrastructure projects in southern Nevada.

There are no comments from the committee. Chairman Hill closes Agenda Item 6.

7. JANUARY MEETING PREVIEW: 12:50 P.M.

Mr. Jeremy Agüero states the January meeting will focus on roads, highways and mass transit. In the briefing Mr. Agüero provided, he points to the key statistics that relate to transportation activity in terms of supply and demand in southern Nevada. He argues that southern Nevada is seeing increased demand in transportation activity, but due to the lack of supply, there is congestion on the roadways that is costing southern Nevada's economy roughly \$1.4 billion a year in lost fuel and time.

Chairman Hill closes Agenda Item 7.

8. COMMITTEE MEMBER COMMENTS: 12:53 P.M.

There are no comments at this time. Chairman Hill closes Agenda Item 8.

9. PUBLIC COMMENT: 12:54 P.M.

Mr. Ed Uehling refers to the Las Vegas Convention and Visitors Authority, stating that it proposed a billion dollar contract without looking at additional options. Mr. Uehling offers that Las Vegas's competition is international, thus the attention should be directed to bringing international tourists to Las Vegas.

Chairman Hill closes Agenda Item 9.

10. ADJOURNMENT: 12:58 P.M.

CHAIRMAN HILL OPENS AGENDA ITEM 10 FOR POSSIBLE ACTION. MR. MARKANTONIS MAKES THE MOTION TO ADJOURN THE COMMITTEE MEETING. MR. HORNBuckle SECONDS THE MOTION. THE MOTION PASSES UNANIMOUSLY.