



The Potential Economic Impacts of Renovations to the LVCC

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TOURISM
ECONOMICS

AN OXFORD ECONOMICS COMPANY

Introduction

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

The highlights

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

The survey

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

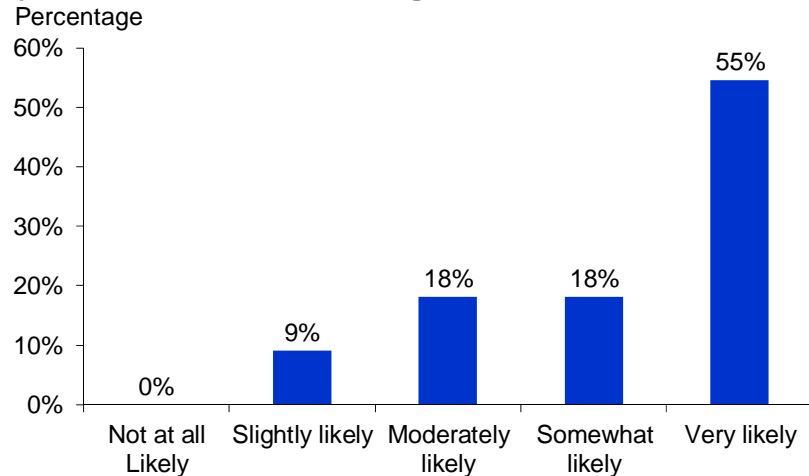
Spending assumptions

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

Current consideration of Las Vegas as host

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

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



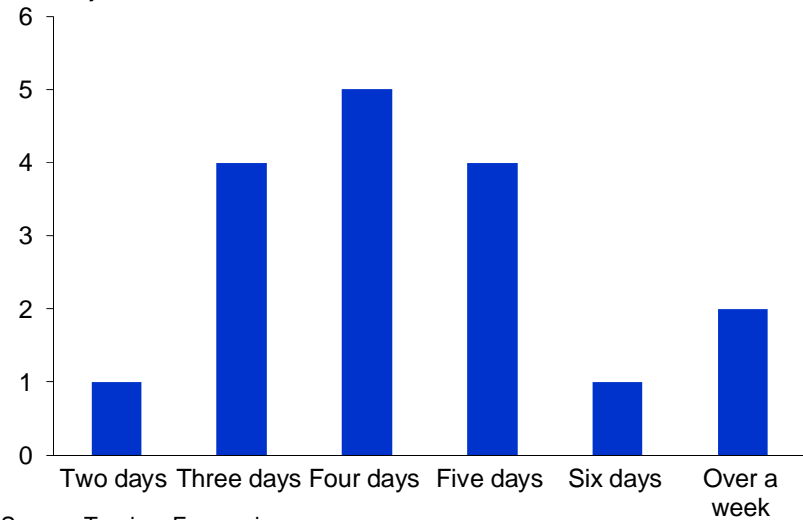
Source: Tourism Economics

Length of event

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

Length of event

Show days



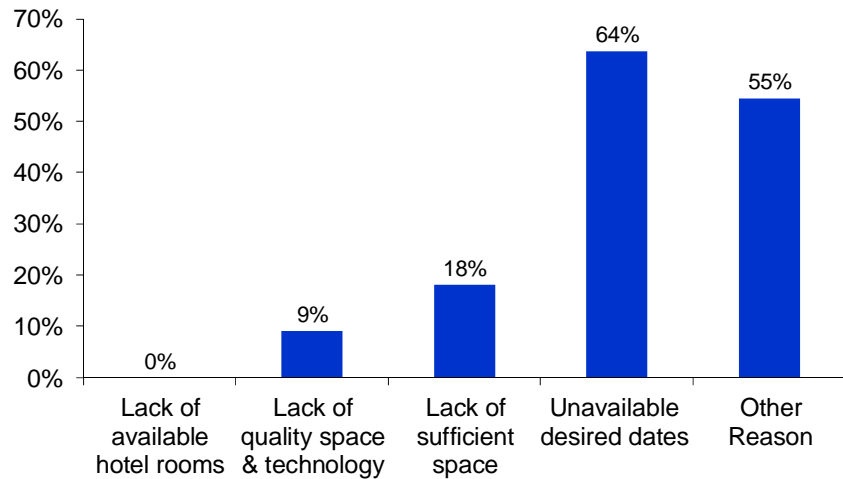
Source: Tourism Economics

Factors preventing conference bookings

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

Factors that prevent conferences from hosting

Percentage



Source: Tourism Economics

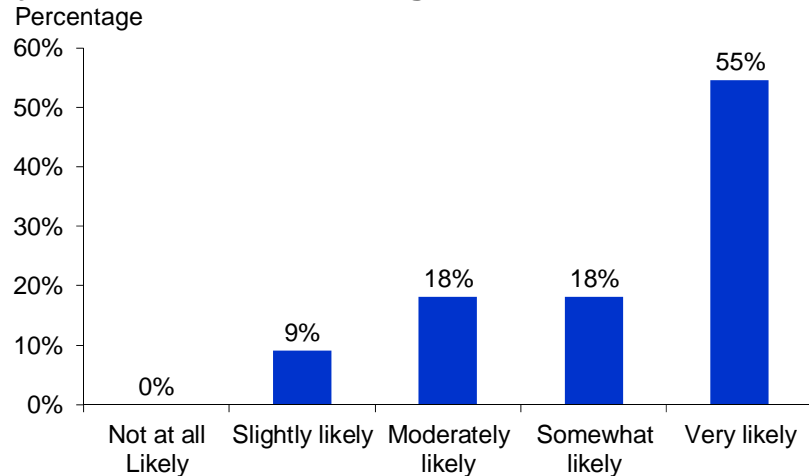
Effect of lack of available dates

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

Would LVCC renovations lead to new bookings?

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

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

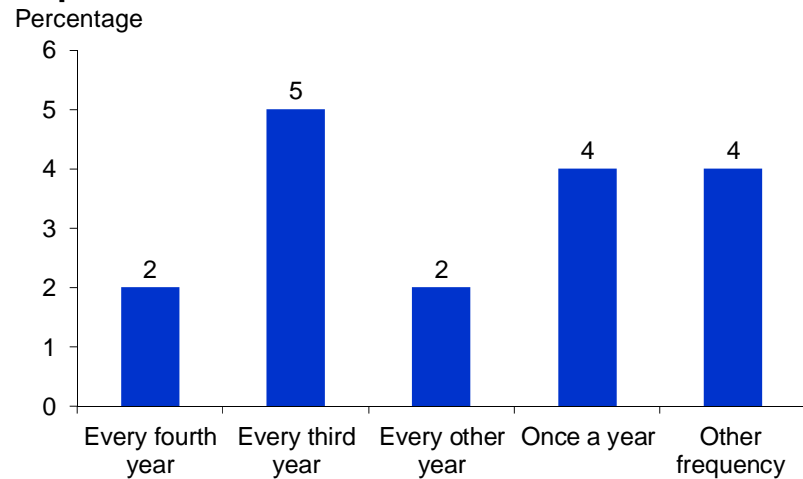


Source: Tourism Economics

Event frequency

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

Frequency booking LV Convention Center if improvements are made?

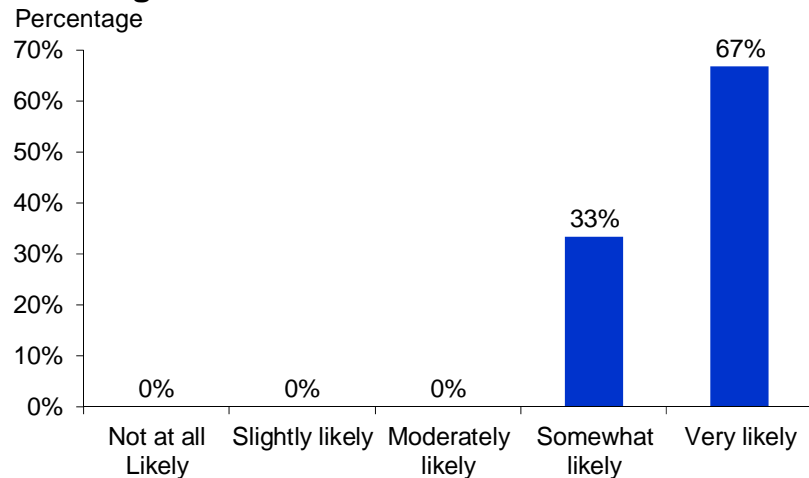


Source: Tourism Economics

Would renovations increase current bookings?

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

Would more available dates increase frequency of booking LV

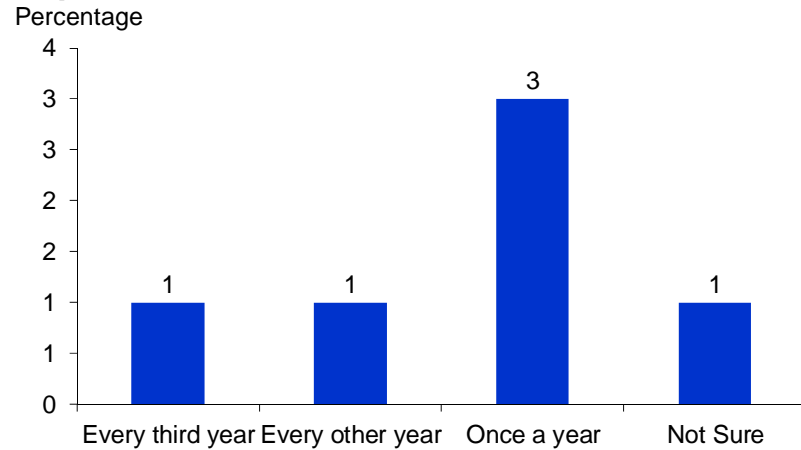


Source: Tourism Economics

Potential of more frequent visitation

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

How frequently would you book LV if improvements are made?

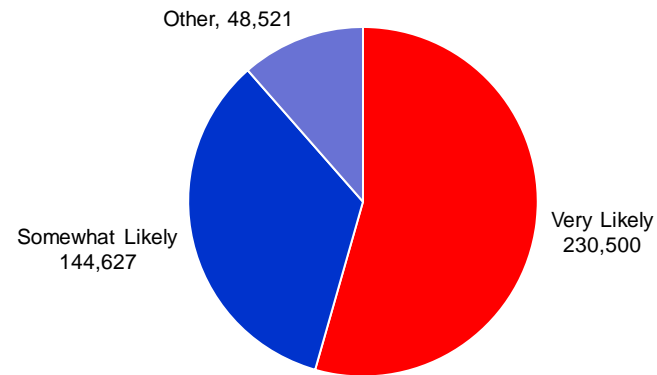


Source: Tourism Economics

Attendance by likelihood

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

Attendance by likelihood of having meeting in Vegas post-renovation



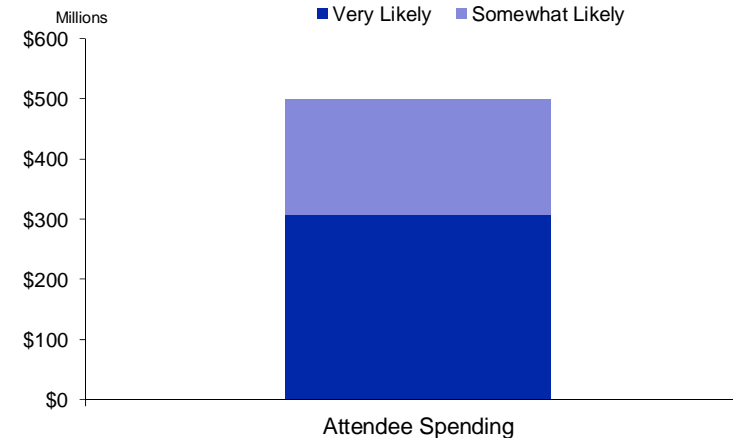
Source: Tourism Economics

Potential direct spending: \$500 million

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

Maximum Attendee Spending

Assuming all meetings came in same year



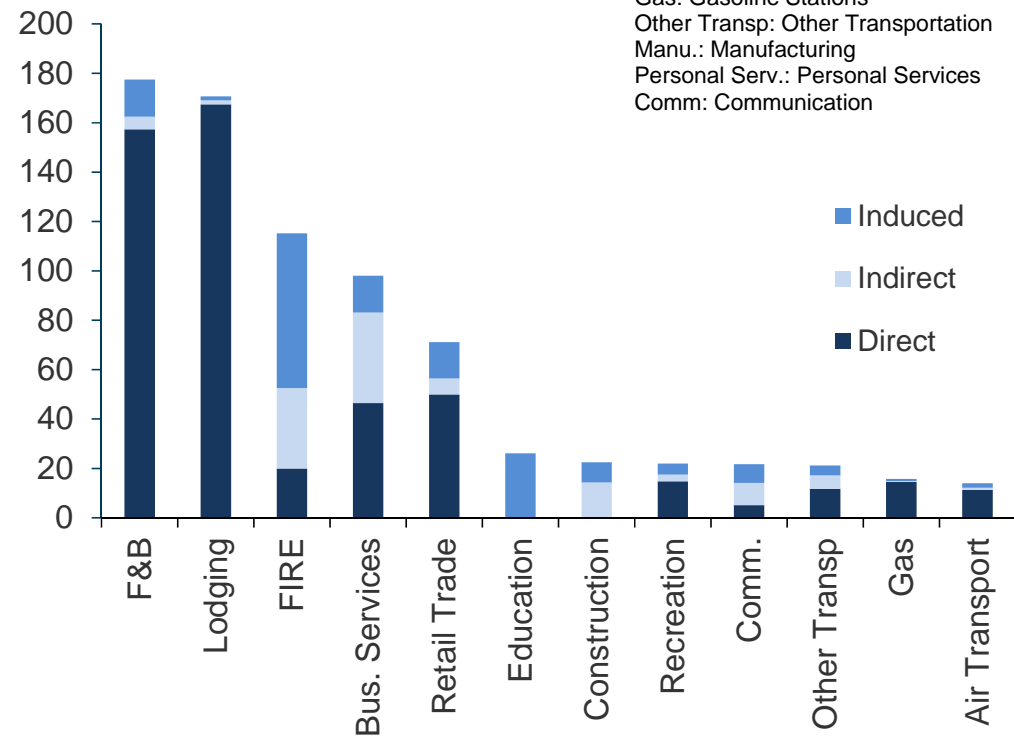
Source: Tourism Economics

Overall impact: \$813 million

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

Travel Sales by Industry

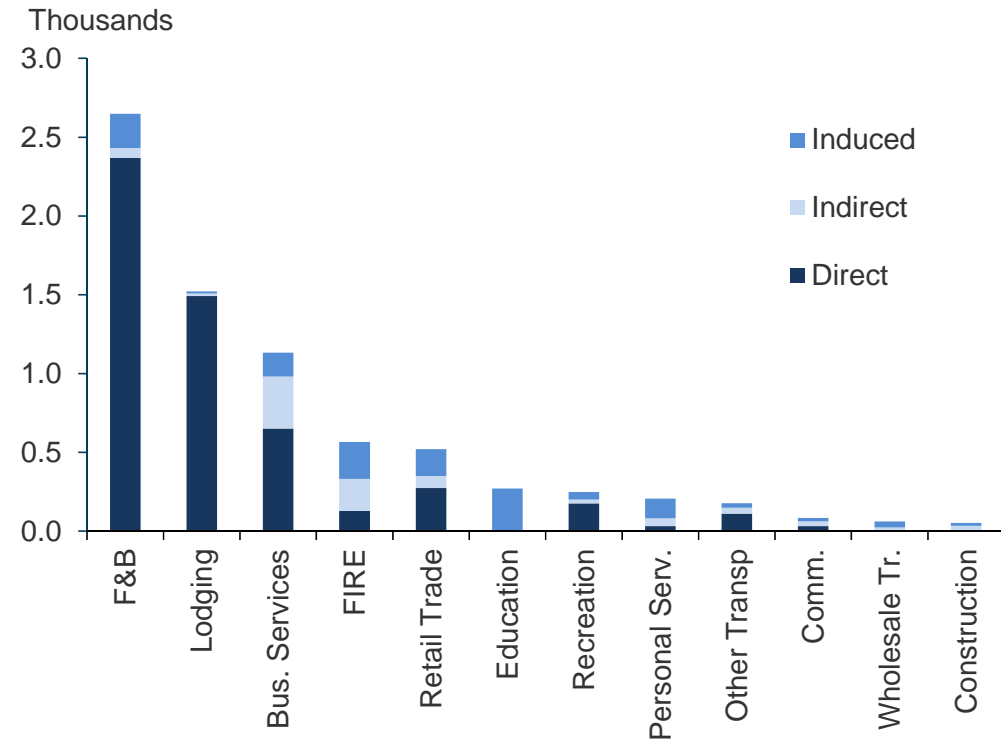
\$ million



Overall impact: 7,600 jobs

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

Travel Employment by Industry



Overall impact: \$54 million in tax revenue

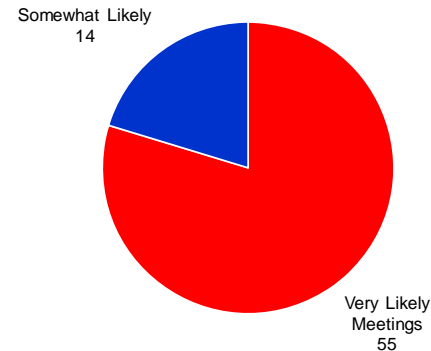
- \$54 million in state and local tax revenues would be created by the economic activity brought to Las Vegas from hosting these events.

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

10 year impact

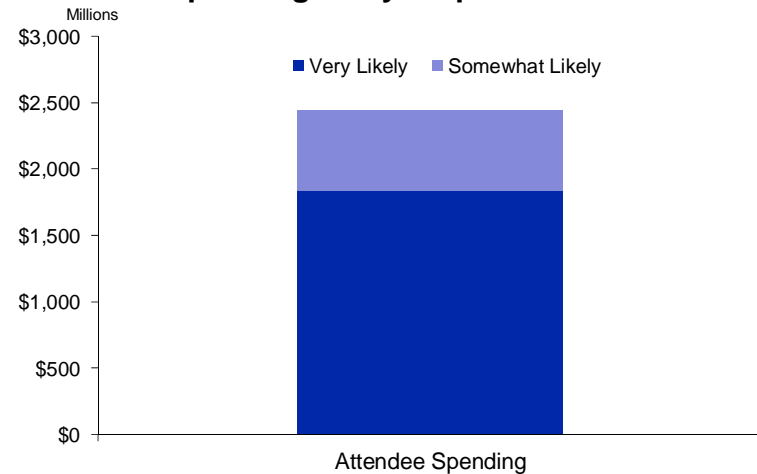
- Based on the frequency of events in the survey, a renovated Las Vegas Convention Center would host 69 new events – 55 very likely - from these organizers over a ten-year period.
- These meetings would bring around \$2.4 billion dollars in direct spending from organizers/attendees.
- Total room demand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

Meetings potential - 10 year period



Source: Tourism Economics

Attendee Spending - 10 year potential

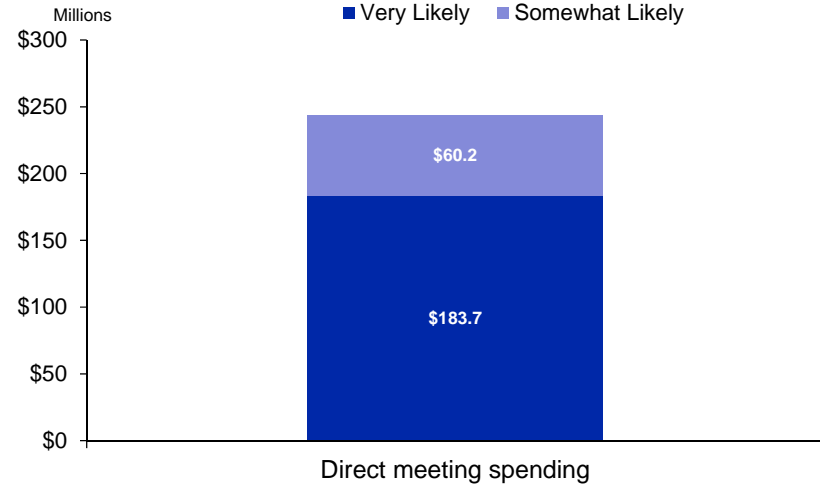


Source: Tourism Economics

Annual impact

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

Annual Event Spending



Source: Tourism Economics

Annual impact

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

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

Closing comments – space

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

Closing comments – date

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

Appendix

Economic opportunity of LVCC expansion

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

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

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

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