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## **An All-Weather, Covered Mega-Event 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**

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## 1 Introduction

The Las Vegas metropolitan area (Las Vegas MSA) is one of the three major urban centers in the United States that is not home to a large-scale (55,000 or more seat) mega-events center. In Southern Nevada a state-of-the-art facility to adequately serve the community must also be covered so spectators can comfortably attend mega-events in every season.

The absence of a covered mega-events center in the Las Vegas region is even more surprising when one considers the vital role of special events (e.g., conventions, sporting events, and live shows) in advancing Southern Nevada's internationally dominant hospitality and tourism industry. Las Vegas has the infrastructure required to host the two largest conventions held each year in the United States simultaneously but lacks a world-class and covered mega-events center.<sup>1</sup> An all-weather (air conditioned and heated) covered mega-events center located close to the region's concentration of hotels and gaming venues will bring new events to Las Vegas that create real (or new) economic development.

If a covered mega-events center with seating for at least 55,000 people is built, resorts in the Las Vegas region and the local economy will benefit from hundreds of millions of dollars in new revenues. That new spending will occur from out-of-town visitors who would visit (or extend a visit to) the area to attend events held at a new mega-events center. The mega-events that are hosted at a new covered mega-events center could not be held at any of the facilities that currently exist in Las Vegas.

Just as Southern Nevada will benefit from a new covered all-weather mega-events center,<sup>2</sup> so too would UNLV. UNLV's benefits, while important and valuable, are more intangible than the direct economic returns for the region's hospitality sector, resorts, and the overall economy. Those intangible benefits, however, are very valuable to UNLV and its strategic goal of assisting in the development and diversification of the region's economy.

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<sup>1</sup> While there are numerous entertainment venues in Los Angeles and it is likely that Dodger Stadium will be renovated and a facility will be built for an NFL team, there is no state-of-the-art covered stadium in the Los Angeles region. Readers are reminded the Rose Bowl and the Coliseum are both being renovated and that does give the region venues for large-scale entertainment events, but neither stadium is covered. Some also note that the Orlando, Florida also lacks a large stadium. The Florida Citrus Bowl, however, is undergoing a major renovation that will increase seating to 70,000. The entire lower bowl of the facility will be renovated and new luxury seating will be added. Expanded concourses will support newer amenities. The facility, however, will remain open to the elements. The University of Central Florida has a smaller football stadium on its campus that recently opened. Neither facility would be similar to what is anticipated for Las Vegas nor classified in the same category as facilities in almost every other larger metropolitan area.

<sup>2</sup> Identifying a facility as "all weather" means that it offers visitors a temperature-controlled environment (air conditioned and heated). The term "covered facility" is used in this report to describe a mega-events center with a fixed, in-place roof that cannot be opened. The facility being planned for the UNLV campus is "an all-weather covered mega-events center."

UNLV is Nevada's largest comprehensive university offering undergraduate, graduate, and doctoral level education. Total enrollment was 26,410 (undergraduate and graduate students) in 2011. Its enrollment levels were similar to those at the University of New Mexico and the University of Utah. To continue its development it is necessary to enhance the residential experience provided to students, and to offer faculty and staff the campus amenities usually part of the infrastructure of leading universities. UNLV will use the new mega-events center as a leverage point to build a new university village on its campus. Any revenues UNLV enjoys from the mega-events center's operations will also enhance the campus' academic programs and environment.

UNLV will use the new covered mega-events center as an anchor for the building and financial success of a new University Village. This village will create the residential campus atmosphere that is a part of major universities across the country. The University Village will offer faculty and staff an amenity that is a staple of working environment at leading universities. That enhancement has the potential to make substantial contributions to the region's economic advancement and diversification as more faculty, staff, and students make UNLV an educational institution of choice attracting and retaining more of the human capital the region needs to prosper.

The revitalization of this section of the campus will advance UNLV's image by providing a residential atmosphere that attracts undergraduate and graduate students from across the West and then the entire country. The additional campus-based amenities will also offer faculty and staff a better physical environment in which to work. UNLV can position itself to attract and retain faculty who will advance its stature with a cluster of amenities that matches those found on or near the campuses of Arizona State University, the University of Arizona, and other leading institutions across the west. Enhancing its identity and academic prominence is part of the University's commitment to Southern Nevada's plans and programs to diversify and advance the region's economy. That commitment will help generate more jobs for Southern Nevada residents and more tax revenues for the State of Nevada and local governments.

A unique public/private partnership is required to build a mega-events center and University Village on UNLV's campus.

In numerous cities across North America public/private partnerships have made it possible for new arenas, ballparks, and stadia to be built. A professional sports team is usually the private sector partner; a city or county (or both) is the usual public sector partner. In some instances, a state has also joined as a public sector partner to ensure that a facility is built. One of the public sector partners for the proposed mega-events center will be UNLV, and its contribution will be in the form of a substantial commitment of a large portion of its campus to the project.<sup>3</sup> One of the private sector partners for the proposed mega-events center is Majestic Realty Co. of Los Angeles. This company has already invested a substantial amount of resources in the planning for the project. Other private sector partners, however, will be needed. Without those partners, the much needed mega-events center for Southern Nevada cannot be built. As will be discussed in this study, the economic returns from a covered mega-events center with seating for 55,000 or more will produce robust returns for these other partners as a result of the hotel nights generated by visitors and their spending at retail centers, in restaurants, and at casinos. The estimates of those returns for the hospitality sector and Southern Nevada's numerous world-class resorts were developed with the advice and insights of the leadership of Las Vegas Events (LVE) and the Las Vegas Convention and Visitors Authority (LVCVA).

Those returns establish a logical basis underlying the call for the participation of other private sector partners in what will be a legacy project for Nevada. A world-class mega-events center will produce substantial benefits for Southern Nevada's resorts. A covered mega-events center will also insure that events, concerts, and sporting events that are held in other parts of the country and in other tourist centers can be hosted in Las Vegas. Those events will bring additional visitors and overnight stays at resorts in Southern Nevada and new spending levels that will also generate new tax revenues for the State of Nevada and local governments and school districts across the greater Las Vegas metropolitan area. A unique partnership involving UNLV, Majestic, and the Southern Nevada hospitality sector is required to produce the substantial benefits identified in the latter sections of this report.

The partnership needed for this mega-events center is only unique when compared to those created to build other sports facilities. Those partnerships have involved a few universities and cities and counties. Several state and local governments have also forged partnerships with professional sports teams. What is needed to build a new covered mega-events center in Las Vegas is a partnership between UNLV and the hospitality sector that also includes Majestic. Such a partnership is not unprecedented.

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<sup>3</sup> There are universities that have partnered with local governments and professional sports teams to build arenas similar to the Thomas & Mack Center. Some professional football teams have played their home games at facilities owned by universities. There are also partnerships between universities and local governments that have been created to build 20,000 seat arenas. No partnership that is being proposed between UNLV and the number of private sector partners needed for a covered mega-events center with seating for at least 50,000 people currently exists.

Thirty years ago the Thomas & Mack Center was built, and today it succeeds in hosting numerous entertainment events unrelated to UNLV but very important for the Las Vegas hospitality industry and the region's economy and the work by LVE to attract events to the region. The building of a new mega-events center will serve the community, UNLV, and the hospitality sector. The quality of life in the region will also be improved and the new mega-events center will produce new regional economic development and tax revenues. These benefits make the effort required to create a new partnership between the leadership from UNLV, Nevada, Clark County, Southern Nevada's hospitality sector, and the community's leaders.

Across three decades the Thomas & Mack Center has become a vital component of the community's infrastructure by creating jobs for numerous families and ensuring that numerous events are part of the region's annual calendar of activities. A new partnership to ensure that a covered mega-events center with seating for at least 55,000 spectators is built will be an extension of the relationship that has made the Thomas & Mack Center an important part of Clark County's hospitality sector and the region's infrastructure for entertainment and community events while also serving students and faculty.

This report is designed to illustrate the benefits that a new covered mega-events center with seating for at least 55,000 spectators will produce for Southern Nevada's hospitality sector. The inability to host large-scale events in a 55,000+-seat facility places the Southern Nevada hospitality sector at a competitive disadvantage when it is compared to some other areas including the Dallas/Fort Worth, New Orleans, Phoenix, and Houston regions. Despite having the largest mix and concentration of world-class resorts, the Las Vegas region lacks the type of facility that is available in each of those other regions.

Simply put, certain major entertainment and sporting events cannot be held in Southern Nevada despite its resort and retail amenities.<sup>4</sup> Without a covered mega-events center with seating for at least 55,000 spectators some concerts and sporting events cannot be held in the region given Southern Nevada's long and very warm summer months. Other tourist destinations benefit as Southern Nevada cannot compete to host these events despite the presence of numerous world-class resorts and one of the world's most convenient international airports. Currently, no venue in the Las Vegas region can compete with those available in several other major tourist destinations when it comes to hosting mega-event events.

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<sup>4</sup> Additional information regarding events that have not been held in Southern Nevada because of the lack of a state-of-the-art mega-events center that is covered is available from LVE.

It is not uncommon for economic impact studies to overestimate the number of events that will be hosted and the amount of new spending brought to an area. Overestimations of the number of events or meetings that a facility will attract produce exaggerated projections of the real or new economic returns for a region and its hospitality sector. In this report, prudent care was employed to offer a conservative and realistic projection of the anticipated economic benefits.

### *Organization of the Report*

Following this Introduction, Section 2 of the report discusses the methodology used to produce the projections of the economic value of a covered, all-weather mega-events center for Nevada and the Greater Las Vegas region's resorts and hospitality sector. The third section of the report provides a brief history of the Thomas & Mack Center and the extraordinary success of the partnership it represents between UNLV and the Southern Nevada hospitality sector for the economic advancement of the region and the state.

Section 4 focuses on the anticipated economic value of a mega-events center built on the UNLV campus for the hotel and gaming industry. Section 5 examines the potential economic benefits generated by construction and the operation of the facility and importance of the new mega-events center on its campus for UNLV. The events that will move from Sam Boyd Stadium to the new mega-events center and the new events that will enhance the package of amenities available to residents of the area are described in the sixth section of the report. The report's conclusions and recommendations are contained in Section 7.

Two appendices provide additional insight into several different issues. The first looks at the indirect and induced economic returns for Southern Nevada. Appendix II summarizes the spending that is projected to take place from the operation of the new mega-events center.

## 2 Methodology and Research Methods

The substantial investments required by UNLV and other partners to build a covered mega-events center requires a careful measurement of the returns likely to result for the University, the hospitality sector, the State of Nevada, and for local governments and school districts across the metropolitan Las Vegas region. In addition, it is important to recognize the contribution a covered mega-events center will make to the quality of life in Southern Nevada.

There is an important set of entertainment and sporting events that require a mega-events center with seating for at least 55,000 spectators. If such a facility does not exist those events will not take place in the region. Creating more entertainment options for families will help some companies attract some people that they need for their development, and will also create some additional benefits. While none of the quality of life elements are quantified in the sections that follow, readers are reminded that some events that are now part of the annual calendar in other regions could or would become part of life in Southern Nevada. The value of that for each person varies, but it does exist.

### *Measuring the Economic Value of Facilities: Economic Impact, Economic Development, and Economic Value*

An estimate of future economic development or new economic activity for a region is what is anticipated when a report like this is produced. There is a range of events that cannot be held in Las Vegas unless a large-scale (55,000 seats or more) covered mega-events center exists. In the absence of this facility, those events will take place in competing regions. Economic gains and new tax revenues that could accrue to businesses, families, school districts, and cities across Southern Nevada would be lost if these events were not held in the region. The direct spending that these events generate for Las Vegas represents real (new or additional) economic development or positive economic impacts. Those gains are not substitutions of one form of consumption for another. In illustrating the value of a new mega-events center, attention must be focused on events that bring new spending into the regional economy. The real value or economic development produced by a new mega-events center is from the events that research indicates would never be held in Las Vegas without the facility's existence.

A mini-industry of sorts comprised of consultants and university faculty who produce studies of the economic value of different infrastructure elements has been created from the need to explain or describe to various audiences (elected officials, community leaders, business leaders, and residents of an area) the value of mega-events facilities, convention centers, performing arts centers, roadways, airports, etc. While the models used can produce the exact sort of

information required to make astute decisions, there has also been a level of abuse with the use of studies of economic effects. Some of the most common errors can be avoided through a careful understanding of the terms used to describe the results of different studies.

Any review of a sample of reports illustrates one of the most critical issues. Different terms are used to describe economic effects, and they actually describe very different phenomenon: economic impact, economic development (or positive economic effects), and economic value. A clear understanding of each type of study is needed to interpret the effects of any project on a region. The application of these terms to an estimate of the benefits from a new mega-events center is also required.

An economic impact is created each time there is a change in spending patterns within a region. Those changes, however, might not elevate the total amount of economic activity in an area or its regional gross income. Consider, for example, the building of a new ballpark for a major league team (from Major League Baseball, the National Football League, the National Basketball Association, or from the National Hockey League). The vast majority of people who attend games already live in the region (see, for example, Rosentraub, 1997; 2010; Winfree & Rosentraub, 2012). Prior to the team's arrival these people are spending money on other forms of consumption. When a team begins playing games, fans shift their spending from one form of consumption (going to the movies, attending a concert, etc.) to another (attending games). This is referred to a "substitution effect" as one form of consumption is substituted for another. At the regional level there is no change in aggregate or gross economic wealth or activity, just a shift in the ways residents spend their discretionary income. Anytime a report references economic impact the question that has to follow is, "Does this impact create any new wealth in the region?" If the answer is no, then the building of a facility and the hosting of a team has no real or net (incremental) economic effect on wealth or economic development at the regional level.

If a mega-events center with seating for at least 55,000 spectators were built on the campus of UNLV and hosted events that are currently part of the entertainment options available to visitors and residents, no new economic benefit would be created. The events transferred from existing facilities to the facility would create no economic impact, as there would be no new development or an expansion of the region's economy.

Suppose a concert is held at the new mega-events center and attendance at the event is less than 15,000 people. This event could have been held at the Thomas & Mack Center or at several other existing venues in Las Vegas. As a result there would, again, be no economic development but there would be a level of economic impact related to the movement of activity between the new facility and the existing facilities. Some studies justifying the building of a new mega-events center sometimes include transfers of activities between facilities as part of the benefit of the new facility without indicating that the shifting of consumption activity between two facilities does not generate any new wealth. Similarly, if the event held in a new mega-events center is one that mainly serves the needs and interests of local residents that too is only a substitution of one form of consumption for another by local residents. Substitution



spending does generate an economic impact but it does not create new wealth for the hospitality sector or for the regional economy.

Our report is careful to avoid any inclusion of economic impacts resulting from substitution effects.

In avoiding the enumeration of substitution effects as new economic gains for a region or community it is important to note that there is sometimes value in ***moving or relocating*** regional economic activity within a region. Consider, for example, the importance to Cleveland of having the region's major league teams play their games within the corporate boundaries of the city. If each of the region's three major league professional sports teams had moved to the suburbs, important tax revenues and jobs would have moved with them and further weakened the city's economy. At the same time, insuring that the teams played their games in Cleveland had no effect on regional levels of economic activity. Residents of the county, however, voted to provide support to insure that the teams played their games in the downtown area and that has generated important financial benefits for Cleveland even as the region's economy and regional economic activity remained unchanged (Rosentraub, 2010). In terms of Southern Nevada and the large concentration of resorts in Las Vegas itself, the city's central role in the region has been sustained. Indeed, the concentration of the resorts in the City of Las Vegas and in Southern Nevada creates an extraordinary opportunity that other tourist destinations cannot replicate. This concentration will create a strategic advantage for the region in its efforts to attract mega-events to a new mega-events center.

This economic analysis focuses on those events that (1) bring new visits to the Las Vegas metropolitan area and (2) can only be held at a covered mega-events center with seating for at least 55,000 spectators. The focus on these factors for the region's direct or immediate economic development does not mean that other benefits do not also exist. UNLV's aspirations will be enhanced, as will be the quality of life for Southern Nevada's residents. Those benefits will also be described, but the direct economic returns for the partners must be initially understood and must be seen to be sufficient to sustain the required investments.

### *The Economic Effects of Construction Expenses for Regional Development*

There is one other form of substitution that is essential to understand each time the development of a stadium or arena is considered. If a region or city relies on taxes to build a facility, there is no new economic activity related to construction jobs (simply a substitution of one use for tax dollars for another or a transfer within sectors of the regional economy) and therefore no change in regional economic levels. Suppose a region institutes a new sales tax (as has been done in many areas) to help pay for a new arena, ballpark, or stadium. The payments to construction workers or construction supply firms is often described as economic impact leaving the impression that new jobs had been created as a result of the expenditure of the tax money. Had the tax not been collected, however, consumers would have bought other things and the consumption of those items creates wages for other workers. It is appropriate to note that the jobs created by other forms of consumption might not be local (if what is purchased is imported from other regions), but the notion that all construction jobs for a facility are increments to the local economy is not valid. When investments are made by businesses that could build facilities in other regions, the construction jobs that are created result in new economic development.

There are three instances when expenditures for construction generate real new levels of income from construction increasing wealth in a region.

*First*, if visitors to the area pay the tax and do not reduce their spending for other goods and services, then the tax itself leads to higher levels of aggregate spending and the resulting construction jobs are an increment in wealth. *Second*, if the money spent for construction is paid with revenues that could have been invested elsewhere, then there is real economic development. Otherwise, estimates of construction expenditures are merely a substitution of one form of spending for another. *Third*, if in the absence of a tax, a resident of an area would spend their money on forms of consumption that involve goods or services produced in other regional economies, then dollars channeled into local construction produce new wealth for an area.

**It is important to remember these issues as this report emphasizes only the new economic activity or “real development” produced by the hosting of events that could not be hosted by any existing venue.**

The construction effects from building a new mega-events center were tabulated and are presented, but the justification for the new facility should be sustained by the new levels of spending by tourists and the building of a new University Village that advances UNLV’s image as a residential campus that also provides students, faculty, and staff with the amenities associated with a leading university.

A separation is also made between those events that could be held in a mega-events center that would represent new and valuable entertainment options for the region's residents. These events are important to enhance the quality of life but are not likely to produce large increments in new spending for the hospitality sector or new levels of economic development for the region. Those events are important substitutes for other forms of consumption, but represent only a shift in consumption and not new economic activity of development for the region.

The term economic value is used to denote both the tangible and intangible benefits that an asset or amenity can produce. Some cities have invested more in facilities in an effort to design and change the image of a downtown area of a city itself. UNLV is seeking partners for a mega-events center that will create substantial intangible benefits for the campus and its design. There are intangible gains for a university from a new facility and when that economic value exists partners who enjoy direct economic development are needed to ensure a project's financial viability.

#### *Direct Economic Benefits, Indirect and Induced Economic Effects, and The Southern Nevada Hospitality Sector*

It is appropriate and accurate for any study of economic development effects of a proposed project to include the indirect and induced effects or benefits that result from the new spending created by a new mega-events center. Direct economic benefits are generated from the new spending that takes place because of the existence of the new facility. In other words, **what is considered as the direct economic benefits is spending by visitors who would likely come to Southern Nevada or extend their stay because of a special event that would be held at the new mega-events center.** What is critical is that the special events held at the mega-events center would not have been held at another venue in Southern Nevada. If an event could have been held at an existing facility, then the spending at that event is not a result of the building of the new facility. If those attending events at the new mega-events center are residents of the region, then the spending that takes place at the facility is a form of substitution for another form of consumption that would have likely have occurred somewhere else in the region.

All of the events included in the tabulation of direct economic benefits in Section 4 could not be held in any facility that currently exists in Southern Nevada.<sup>5</sup> Accordingly, all of the spending estimated for those events is projected to be from visitors to the region.

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<sup>5</sup> In the summer of 2012 an international soccer "friendly" game will be held at the Sam Boyd Stadium. A game of this magnitude played in a covered mega-events center would attract more fans from outside of the region and generate more revenue for the hospitality sector and the region's resorts.

Each time there is new spending in a regional economy there are indirect and induced effects. These result from the spending of the new dollars in the local economy. For example, some of the projected spending would create higher or new salaries for some workers. Some businesses would enjoy new orders for the products or services they produce. It is appropriate in a study of economic effects of a new project to include this spending as new development for a region.

In preparing this report the indirect and induced effects were not included in Section 4 as primary benefits for resorts or the hospitality sector. Why? As explained in the paragraphs that follow, the indirect or induced secondary economic effects will likely generate little if any additional financial returns for the hospitality sector. The indirect and induced spending effects, however, will enhance the regional economy and produce more tax revenues for the State of Nevada and local governments throughout the Southern Nevada region.

The vast majority of the new direct spending or real (incremental) economic development effects that will be produced by the new mega-events center will occur at (or for) the region's resorts. The focus on those benefits provides a conservative perspective on the returns from the new mega-events center and the benefits of the project for the region and the State of Nevada. And, as discussed at a later point in this study, the mega-events center will permit large-scale special events to be held in the region during the summer months. This is a period of the year when some visitors might prefer not to visit Las Vegas leaving resorts with the ability to capitalize on higher levels of tourism.

The new spending by visitors will produce new jobs for Southern Nevada residents and additional hours of work for other residents that are already employed. Numerous local businesses will also enjoy higher levels of demand for their products and services. The higher salaries and the demand for services and products from local businesses will produce important indirect and induced benefits for residents and local businesses. The induced and indirect benefits, however, will most likely not accrue to the region's resorts or businesses that dominate the region's hospitality sector.<sup>6</sup> While not included in the direct estimate of benefits from the new mega-events center, community leaders and elected officials should recognize that new jobs and new levels of spending will result as a result of the indirect and induced spending effects.

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<sup>6</sup> The calculation of induced and indirect economic effects was done using models using software known as IMPLAN. Developed and sold by MIG, Incorporated, these models and statistics are those used by numerous economists to "investigate the consequences of projected economic transactions" (MIG website, [http://implan.com/V4/index.php?option=com\\_content&view=article&id=282:what-is-implan&catid=152:implan-appliance-&Itemid=2](http://implan.com/V4/index.php?option=com_content&view=article&id=282:what-is-implan&catid=152:implan-appliance-&Itemid=2)) on local areas. These models are the ones used by Guy Hobbs (Hobbs, Ong, and Associates) and John Restrepo (RCG Economics). Guy Hobbs and John Restrepo endorsed the use of the IMPLAN models for this report and the decision to focus on direct spending relative to the benefits expected for the resorts.

There is, then, a separation of the sectors of the economy impacted by the direct and the induced and indirect benefits. As this report is focused on the returns to the primary partners — UNLV and the resorts in the Las Vegas metropolitan area — care was taken to present the most appropriate and conservative measure of the expected returns to those who must make the financial investment to insure that the mega-events center is built. Those benefits are produced by the direct spending by new visitors and not the indirect and induced effects resulting from that spending as it reverberates through the regional economy. This does not mean that the new spending that results from the building of a mega-events center is any less substantial. It only means this report provides a very conservative estimate of the real gains for the resorts in the metropolitan area, UNLV, Clark County, and the State of Nevada. As detailed in latter sections of this report, if the indirect and induced effects were included, the annual aggregate economic value to Clark County and Nevada from the new visitors would be \$603.4 million.

Most economic impact studies routinely report the total value of a project as the total of the direct, indirect, and induced effects. That would almost double some of the increments noted in Table 4-2. Again, while those would occur throughout the regional economy and most likely bypass the resorts, the indirect and induced effects are included in Appendix II. Readers are reminded, however, that the induced and indirect effects from the direct spending will produce new tax revenues that will benefit Nevada, local governments and school districts even if the benefits are not realized by the region's resorts.

### 3 Thomas & Mack Center: A University's Partnership with Its Region for Economic Development

The partnership planned for the new mega-events center is based on the success that the Thomas & Mack Center has achieved for Las Vegas, its hospitality industry, and Southern Nevada. Built for a cost of \$30 million in 1983 (approximately \$70 million in 2012 dollars), the facility underwent a major renovation in 1992 costing \$7.5 million (approximately \$12.4 million in 2012 dollars). Then, in 1997 another extensive renovation was completed and involved an investment of \$11.5 million by the State of Nevada (\$16.5 million in 2012 dollars). The Thomas & Mack Center has held more than 100 events every year attracting 1 million visitors.

Since opening in 1983 the Thomas & Mack Center has welcomed more than 21.7 million attendees (through Fiscal Year 2012). Average annual attendance is approximately 700,000 but in fiscal year 2010, 788,654 visitors attended events at the Thomas & Mack Center. The arena is a valued community resource that serves the residents of Southern Nevada, the region's hospitality sector, and the University.

The success of the partnership between UNLV and the Las Vegas hospitality sector has made the Thomas & Mack Center the 9<sup>th</sup> busiest arena in the world. *Venues Today* in June 2012 indicated that the Thomas & Mack Center was not only the 9<sup>th</sup> busiest in the United States but it had welcomed more spectators than facilities in Miami, Philadelphia, and Orlando. The only facilities in North America more successful were those with at least one National Hockey League or National Basketball Association franchise (and some had teams from each league).

***No university or public/private partnership to build an arena matches the success achieved by UNLV and the hospitality sector through the Thomas & Mack Center.***

While this section of the report focuses on the contribution of the arena to the region, it is important to remember that the Cox Pavilion has also hosted 576,189 guests since opening in 2001. Together, then, the Thomas & Mack Center and the Cox Pavilion have welcomed more than 22 million attendees to events. Readers are also reminded that while Sam Boyd Stadium is certainly a facility that has important limitations it too has made a major contribution to the region's hospitality sector. Through fiscal year 2012 a total of 6,133,916 people have attended events at the stadium.

**No other university can point to a more successful partnership with its regional hospitality industry.** UNLV has established a unique and extraordinary relationship with the region that creates numerous jobs and business opportunities for residents and the region's resorts. In addition the success of the Thomas & Mack Center has generated new tax revenues for the State of Nevada, local governments throughout Southern Nevada, and to McCarran International Airport.

There are, of course, football programs at some universities that annually attract more than 700,000 fans to games. Even if those institutions (the University of Michigan, The Ohio State University, and Penn State University, etc.) are included in the analysis, UNLV already exceeds their contribution to their respective local hospitality industries by the longer visits associated with attendance at events at the Thomas & Mack Center and the Cox Pavilion.

Rather than focusing on all of the events held at the facility since it has opened, Tables 3-1 through 3-4 include only those likely to attract visitors from outside the region. Removed from this analysis are all UNLV basketball games and other entertainment events that largely serve residents of the region.

To illustrate the partnership between the University and the hospitality community the focus is on events that produced new business for the hotels, casinos, and retail outlets throughout Las Vegas and Clark County. This directs the focus to the ways in which a facility built for a university, and similar to those found on other campuses, has become an important piece of the infrastructure enhancing the region's hospitality sector.

From the arena's opening it has served the greater Las Vegas region and the hospitality sector. The second event held in 1983 involved two NBA teams and the grand opening a few weeks later included performances by Frank Sinatra, Dean Martin, and Diana Ross. Two days after that event the arena hosted its first concert.

Rather than listing all of the events held across three decades that were expected to attract tourists to the region, the analysis in this section of the report focuses on export-based tourist events that were held in each of the last four fiscal years. Readers are reminded these are only those events that are designed to bring visitors or tourists to the region (export-based tourism as opposed to entertainment that serves residents of the region) and creating new economic development for the region. All of those events (including UNLV basketball) that provide substantial entertainment value and benefits for the region – but which largely serve residents of the metropolitan area – **are not included in this tabulation.**

In summary, before turning attention to the economic development benefits produced by the Thomas & Mack Center, export-based tourism events at the facility are enjoyed by **more than 300,000 attendees** each year who are visitors to Southern Nevada and its resorts. This is not to suggest that some residents of Southern Nevada do not also attend these events. Great care was taken to focus the analysis on those events where it is highly likely that most of the attendees are also people who stayed in area hotels and who also spent money in the region's casinos, restaurants, and shopping centers.<sup>7</sup>

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<sup>7</sup> Readers are reminded that intercept surveys commissioned by the Las Vegas Convention and Visitors Authority (LVCVA) were used to identify which events are most likely to attract visitors to the region. At those events approximately 70 percent of those surveyed were visitors.



**Table 3-1. Export-Based Events at Thomas & Mack Center, 2008-2009**

<b><i>Event</i></b>	<b><i>Date</i></b>	<b><i>Attendance</i></b>
<b><i>PopTart Presents AMERICAN IDOLS TOUR 2008</i></b>	7/5/08	6,162
<b><i>ST. FARM USA BASKETBALL CHALLENGE 2008</i></b>	7/25/08	16,296
<b><i>DEEPER STILL WOMENS CONFERENCE 2008</i></b>	9/5/08	5,800
<b><i>DEEPER STILL WOMENS CONFERENCE 2008</i></b>	9/6/08	5,800
<b><i>A NIGHT OF COMBAT II - MMA EVENT 2008</i></b>	10/11/08	1,523
<b><i>PROFESSIONAL BULL RIDERS 2008</i></b>	10/31/08	6,498
<b><i>PROFESSIONAL BULL RIDERS 2008</i></b>	11/1/08	10,373
<b><i>PROFESSIONAL BULL RIDERS 2008</i></b>	11/2/08	8,574
<b><i>ABBI Events (with PBR 2008)</i></b>	11/3/08	500
<b><i>ABBI Events (with PBR 2008)</i></b>	11/4/08	500
<b><i>ABBI Events (with PBR 2008)</i></b>	11/5/08	500
<b><i>PROFESSIONAL BULL RIDERS 2008</i></b>	11/6/08	12,307
<b><i>PROFESSIONAL BULL RIDERS 2008</i></b>	11/7/08	13,119
<b><i>PROFESSIONAL BULL RIDERS 2008</i></b>	11/8/08	14,782
<b><i>PROFESSIONAL BULL RIDERS 2008</i></b>	11/9/08	13,973
<b><i>WRANGLER NATIONAL FINALS RODEO 2008</i></b>	12/4/08	14,915
<b><i>WRANGLER NATIONAL FINALS RODEO 2008</i></b>	12/5/08	15,962
<b><i>WRANGLER NATIONAL FINALS RODEO 2008</i></b>	12/6/08	16,061
<b><i>WRANGLER NATIONAL FINALS RODEO 2008</i></b>	12/7/08	15,510
<b><i>WRANGLER NATIONAL FINALS RODEO 2008</i></b>	12/8/08	15,397
<b><i>WRANGLER NATIONAL FINALS RODEO 2008</i></b>	12/9/08	15,264
<b><i>WRANGLER NATIONAL FINALS RODEO 2008</i></b>	12/10/08	15,782
<b><i>WRANGLER NATIONAL FINALS RODEO 2008</i></b>	12/11/08	16,197
<b><i>WRANGLER NATIONAL FINALS RODEO 2008</i></b>	12/12/08	16,919
<b><i>WRANGLER NATIONAL FINALS RODEO 2008</i></b>	12/13/08	16,906
<b><i>MWC BASKETBALL TOURNAMENT 2009</i></b>	3/10/09	2,113
<b><i>MWC BASKETBALL TOURNAMENT 2009</i></b>	3/11/09	2,809
<b><i>MWC BASKETBALL TOURNAMENT 2009</i></b>	3/12/09	7,269
<b><i>MWC BASKETBALL TOURNAMENT 2009</i></b>	3/12/09	8,075
<b><i>MWC BASKETBALL TOURNAMENT 2009</i></b>	3/13/09	3,200
<b><i>MWC BASKETBALL TOURNAMENT 2009</i></b>	3/13/09	8,829
<b><i>MWC BASKETBALL TOURNAMENT 2009</i></b>	3/14/09	6,307
<b><i>ROLEX F.E.I. WORLD CUP FINALS LAS VEGAS 2009</i></b>	4/15/09	1,047
<b><i>ROLEX F.E.I. WORLD CUP FINALS LAS VEGAS 2009</i></b>	4/15/09	1,932
<b><i>ROLEX F.E.I. WORLD CUP FINALS LAS VEGAS 2009</i></b>	4/16/09	3,832
<b><i>ROLEX F.E.I. WORLD CUP FINALS LAS VEGAS 2009</i></b>	4/16/09	3,749

<b>ROLEX F.E.I. WORLD CUP FINALS LAS VEGAS 2009</b>	4/17/09	4,294
<b>ROLEX F.E.I. WORLD CUP FINALS LAS VEGAS 2009</b>	4/17/09	4,756
<b>ROLEX F.E.I. WORLD CUP FINALS LAS VEGAS 2009</b>	4/18/09	4,548
<b>ROLEX F.E.I. WORLD CUP FINALS LAS VEGAS 2009</b>	4/18/09	5,799
<b>ROLEX F.E.I. WORLD CUP FINALS LAS VEGAS 2009</b>	4/19/09	5,070
<b>Total Attendance</b>		<b>349,249</b>

Source: University of Nevada Las Vegas

**Table 3-2. Export-Based Events at Thomas & Mack Center, 2009-2010**

<b><i>Event Name</i></b>	<b><i>Event Date</i></b>	<b><i>Attendance</i></b>
<b><i>MILEY CYRUS CONCERT w/ Metro Station 2009</i></b>	9/26/09	12,805
<b><i>PROFESSIONAL BULL RIDERS 2009</i></b>	10/30/09	6,539
<b><i>PROFESSIONAL BULL RIDERS 2009</i></b>	10/31/09	6,292
<b><i>PROFESSIONAL BULL RIDERS 2009</i></b>	11/1/09	6,276
<b><i>PROFESSIONAL BULL RIDERS 2009 World Finals</i></b>	11/5/09	9,633
<b><i>PROFESSIONAL BULL RIDERS 2009 World Finals</i></b>	11/6/09	12,139
<b><i>PROFESSIONAL BULL RIDERS 2009 World Finals</i></b>	11/7/09	14,375
<b><i>PROFESSIONAL BULL RIDERS 2009 World Finals</i></b>	11/8/09	13,701
<b><i>WRANGLER NATIONAL FINALS RODEO 2009</i></b>	12/3/09	14,032
<b><i>WRANGLER NATIONAL FINALS RODEO 2009</i></b>	12/4/09	15,783
<b><i>WRANGLER NATIONAL FINALS RODEO 2009</i></b>	12/5/09	15,927
<b><i>WRANGLER NATIONAL FINALS RODEO 2009</i></b>	12/6/09	14,965
<b><i>WRANGLER NATIONAL FINALS RODEO 2009</i></b>	12/7/09	15,015
<b><i>WRANGLER NATIONAL FINALS RODEO 2009</i></b>	12/8/09	14,850
<b><i>WRANGLER NATIONAL FINALS RODEO 2009</i></b>	12/9/09	15,259
<b><i>WRANGLER NATIONAL FINALS RODEO 2009</i></b>	12/10/09	16,050
<b><i>WRANGLER NATIONAL FINALS RODEO 2009</i></b>	12/11/09	16,331
<b><i>WRANGLER NATIONAL FINALS RODEO 2009</i></b>	12/12/09	16,375
<b><i>MWC BASKETBALL TOURNAMENT 2010</i></b>	3/9/10	2,114
<b><i>MWC BASKETBALL TOURNAMENT 2010</i></b>	3/10/10	3,347
<b><i>MWC BASKETBALL TOURNAMENT 2010</i></b>	3/11/10	8,519
<b><i>MWC BASKETBALL TOURNAMENT 2010</i></b>	3/11/10	9,905
<b><i>MWC BASKETBALL TOURNAMENT 2010</i></b>	3/12/10	1,852
<b><i>MWC BASKETBALL TOURNAMENT 2010</i></b>	3/12/10	16,458
<b><i>MWC BASKETBALL TOURNAMENT 2010</i></b>	3/13/10	9,995
<b><i>PBR WORLD CUP 2010 (Apr.)</i></b>	4/16/10	4,666
<b><i>PBR WORLD CUP 2010 (Apr.)</i></b>	4/17/10	5,862
<b><i>PBR WORLD CUP 2010 (Apr.)</i></b>	4/18/10	4,622
<b><i>Total Attendance</i></b>		<b>303,687</b>

Source: University of Nevada Las Vegas

**Table 3-3. Export-Based Events at Thomas & Mack Center, 2010-2011**

<i><b>Event Name</b></i>	<i><b>Event Date</b></i>	<i><b>Sold</b></i>
<i><b>PBR WORLD CHAMPIONSHIP FINALS 2010</b></i>	10/20/10	7,589
<i><b>PBR WORLD CHAMPIONSHIP FINALS 2010</b></i>	10/21/10	10,276
<i><b>PBR WORLD CHAMPIONSHIP FINALS 2010</b></i>	10/22/10	11,236
<i><b>PBR WORLD CHAMPIONSHIP FINALS 2010</b></i>	10/23/10	13,653
<i><b>PBR WORLD CHAMPIONSHIP FINALS 2010</b></i>	10/24/10	13,039
<i><b>WRANGLER NATIONAL FINALS RODEO 2010</b></i>	12/2/10	16,106
<i><b>WRANGLER NATIONAL FINALS RODEO 2010</b></i>	12/3/10	16,287
<i><b>WRANGLER NATIONAL FINALS RODEO 2010</b></i>	12/4/10	16,305
<i><b>WRANGLER NATIONAL FINALS RODEO 2010</b></i>	12/5/10	16,171
<i><b>WRANGLER NATIONAL FINALS RODEO 2010</b></i>	12/6/10	16,107
<i><b>WRANGLER NATIONAL FINALS RODEO 2010</b></i>	12/7/10	16,158
<i><b>WRANGLER NATIONAL FINALS RODEO 2010</b></i>	12/8/10	16,235
<i><b>WRANGLER NATIONAL FINALS RODEO 2010</b></i>	12/9/10	16,530
<i><b>WRANGLER NATIONAL FINALS RODEO 2010</b></i>	12/10/10	16,861
<i><b>WRANGLER NATIONAL FINALS RODEO 2010</b></i>	12/11/10	16,755
<i><b>MWC BASKETBALL TOURNAMENT 2011</b></i>	3/8/11	10,179
<i><b>MWC BASKETBALL TOURNAMENT 2011</b></i>	3/9/11	10,573
<i><b>MWC BASKETBALL TOURNAMENT 2011</b></i>	3/10/11	12,956
<i><b>MWC BASKETBALL TOURNAMENT 2011</b></i>	3/10/11	14,250
<i><b>MWC BASKETBALL TOURNAMENT 2011</b></i>	3/11/11	10,479
<i><b>MWC BASKETBALL TOURNAMENT 2011</b></i>	3/11/11	17,025
<i><b>MWC BASKETBALL TOURNAMENT 2011</b></i>	3/12/11	17,006
<i><b>Total Attendance</b></i>		<b>311,776</b>

Source: University of Nevada Las Vegas

**Table 3-4. Export-Based Events at Thomas & Mack Center, 2011-2012**  
(Partial year; University of Nevada Las Vegas)

<b>Event Name</b>	<b>Event Date</b>	<b>Tickets Sold</b>
<b>STATE FARM INSURANCE CONVENTION 2011</b>	9/29/11	10,000
<b>STATE FARM INSURANCE CONVENTION 2011</b>	9/27/11	10,000
<b>STATE FARM INSURANCE CONVENTION 2011</b>	10/3/11	10,000
<b>STATE FARM INSURANCE CONVENTION 2011</b>	10/4/11	10,000
<b>CHAMPIONS SERIES TENNIS 2011</b>	10/15/11	4,296
<b>PBR WORLD CHAMPIONSHIP FINALS 2011</b>	10/26/11	8,165
<b>PBR WORLD CHAMPIONSHIP FINALS 2011</b>	10/27/11	9,240
<b>PBR WORLD CHAMPIONSHIP FINALS 2011</b>	10/28/11	10,661
<b>PBR WORLD CHAMPIONSHIP FINALS 2011</b>	10/29/11	12,940
<b>PBR WORLD CHAMPIONSHIP FINALS 2011</b>	10/30/11	12,188
<b>WRANGLER NATIONAL FINALS RODEO 2011</b>	12/1/11	16,078
<b>WRANGLER NATIONAL FINALS RODEO 2011</b>	12/2/11	16,479
<b>WRANGLER NATIONAL FINALS RODEO 2011</b>	12/3/11	16,461
<b>WRANGLER NATIONAL FINALS RODEO 2011</b>	12/4/11	16,162
<b>WRANGLER NATIONAL FINALS RODEO 2011</b>	12/5/11	16,312
<b>WRANGLER NATIONAL FINALS RODEO 2011</b>	12/5/11	0
<b>WRANGLER NATIONAL FINALS RODEO 2011</b>	12/6/11	16,296
<b>WRANGLER NATIONAL FINALS RODEO 2011</b>	12/7/11	16,251
<b>WRANGLER NATIONAL FINALS RODEO 2011</b>	12/8/11	16,630
<b>WRANGLER NATIONAL FINALS RODEO 2011</b>	12/9/11	16,886
<b>WRANGLER NATIONAL FINALS RODEO 2011</b>	12/10/11	16,796
<b>MWC BASKETBALL CLASSIC</b>	3/7/12	3,110
<b>MWC BASKETBALL CLASSIC</b>	3/7/12	4,195
<b>MWC BASKETBALL CLASSIC</b>	3/8/12	8,160
<b>MWC BASKETBALL CLASSIC</b>	3/8/12	13,772
<b>MWC BASKETBALL CLASSIC</b>	3/9/12	5,276
<b>MWC BASKETBALL CLASSIC</b>	3/9/12	16,399
<b>MWC BASKETBALL CLASSIC</b>	3/10/12	12,168
<b>Total Attendance</b>		<b>324,921</b>

To estimate the direct spending benefit for the hospitality sector from out-of-town attendees, data from surveys of visitors conducted for LVCVA were used. Intercept surveys are conducted after numerous events providing the Las Vegas community with a precise estimate of the spending that takes place when different events are held throughout the community. The figures in Table 3-5 represent a conservative estimate. The taxes projected were based on rates in effect in each year. No multiplier effects were calculated. The data in Table 3-5 are in absolute dollars (unadjusted for inflation) and focus only on spending that likely took place at hotels and casinos throughout Las Vegas.

Direct spending in the hospitality sector was \$216.4 million in FY 2009. The worsening national recession reduced spending in FY 2010 to \$188.2 million and there was a 2.7 percent increase in spending from FY 2010 to FY 2011 (\$188.2 million to \$193.2 million). Another increment is likely in FY 2012 (partial year results are only available at this time) but there is every reason to be optimistic that a slight rebound will be achieved.

In FY 2009 the visitors' spending produced \$18.1 million in tax revenues for Nevada and Clark County governments. In the following years (through FY 2012), no less than \$15.7 million in taxes was produced for Nevada and Clark County governments. The FY 2011 estimate of tax revenues has already been exceeded in FY 2012 with several months still left in the fiscal year (see Table 3-5).

**Table 3-5. The Direct Economic Impact of Spending by Visitors To Events at the Thomas & Mack Center and the Taxes Generated, Fiscal Year 2009 – Fiscal Year 2012 (absolute dollars; FY 2012 partial year results)**

<b>Category</b>	<b>Fiscal Year</b>			
	<b>2008/2009</b>	<b>2009/2010</b>	<b>2010/2011</b>	<b>2011/2012*</b>
<b>Lodging</b>	\$39,087,773	\$33,988,497	\$34,893,814	\$36,364,996
<b>Food and Beverage</b>	53,368,006	46,405,773	47,641,836	49,650,495
<b>Shopping (Retail)</b>	25,518,227	22,189,194	22,780,225	23,740,677
<b>Shows Expenditure</b>	10,240,539	8,904,589	9,141,771	9,527,203
<b>Gaming</b>	73,627,151	64,021,969	65,727,257	68,498,428
<b>Local Transport</b>	13,064,584	11,360,217	11,662,807	12,154,531
<b>Sightseeing</b>	1,498,261	1,302,802	1,337,503	1,393,894
<b>Total Direct Spending Hospitality</b>	<b>216,404,543</b>	<b>188,173,041</b>	<b>193,185,214</b>	<b>201,320,227</b>
<b>Tax Revenues</b>				
<b>State of Nevada Sales</b>	7,102,739	6,176,136	6,340,644	6,607,976
<b>Clark County Sales</b>	1,296,120	1,127,032	1,157,052	1,205,835
<b>State Gaming Tax</b>	4,969,833	4,321,483	4,436,590	4,623,643
<b>Hotel Taxes</b>	4,690,533	4,078,620	4,187,258	4,363,643
<b>Total Tax Revenues Generated</b>	<b>18,059,225</b>	<b>15,703,271</b>	<b>16,121,543</b>	<b>16,801,254</b>
<b>Distribution of Hotel Tax</b>				
<b>LVCVA</b>	1,954,389	1,699,425	1,744,691	1,818,249
<b>Jurisdiction Clark County</b>	781,755	679,770	697,876	727,299
<b>Transportation</b>	390,878	339,885	348,938	363,649
<b>Clark County School District</b>	635,176	552,313	567,024	590,931
<b>State of Nevada Schools</b>	1,172,633	1,019,655	1,046,814	1,090,949
<b>State of Nevada Tourism</b>	146,579	127,457	130,852	136,368

\* Partial Year

The Thomas & Mack Center is an example of an extraordinary partnership where a facility built for and managed by a university has become an important asset for the region's hospitality sector. Each year, events at the facility generate a large number of hotel room nights and increase the gross level of spending at resorts and retail outlets across Southern Nevada. At the same time, the facility is producing approximately \$16 million in new tax revenues for Nevada and local governments each year even in the midst of the deep recession.

## 4 New Covered Mega-Events Center for Southern Nevada

The Thomas & Mack Center, as well as venues at some of Las Vegas' largest hotels, annually host entertainment events that bring hundreds of thousands of visitors to the region. For the analysis of the value of the mega-events center for the hospitality sector, these events, even if they were moved to the new mega-events center, were not included in the projection of the economic gains produced by the new facility for the region's economy. Even though it is possible that relocating an event from an existing facility to the new mega-events center would lead to more visitors, that possibility is not included in the projection of the value of the mega-events center to the hospitality sector, to the Las Vegas region, Clark County, or the State of Nevada.

The analysis in this section of the report **focuses only on new events** that cannot be hosted in any existing facility in Southern Nevada – excluding both existing events and the possible growth of existing events due to the new mega-events center.

In addition, readers are reminded that some events currently held in Las Vegas are considering other destinations because of the availability of a covered mega-events center. Larger venues that can host mega-events now exist in many other favored tourist destinations. Feld Motor Sports, for example, recently asked for proposals from other tourist destinations with covered mega-events stadia. While no effort was made in this report to determine the economic value of events that might be lost, it is important to note that there are many tourist destinations across North America that have covered stadia or very modern mega-event stadia that could attract some events that have, in the past, been held in the Las Vegas metropolitan area.<sup>8</sup>

Which events would represent new economic development if held at a mega-events center with at least 55,000 seats that is covered? Those events that are classified as export-based events – those events that bring new visitors to the region – and cannot be held in an arena are the ones used to project the new mega-events center's benefit to the region.

Export events – as opposed to those that primarily offer entertainment options to a region's residents – are those that produce real (or incremental) economic growth for the metropolitan Las Vegas economy through the attraction of visitors. Section 6 of this report focuses on events that would create new entertainment options for residents of the region, and the important benefits those activities and benefits produce for the region.

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<sup>8</sup> In June 2012 Feld Motor Sports released a report indicating its event generated \$86.9 million for the Las Vegas economy (Anderson, 2012). While no effort was made to validate that estimation, it is sufficient to note the presence of more modern facilities in other regions could lead to the loss of events. If that were to occur because Las Vegas did not have a covered mega-events center, then the economic returns from building the facility would be larger than what is projected in this study.



Events that enhance the quality of life for residents and offer more and varied entertainment options that are currently not available are classified as import-based activities. Those events are important and might help attract companies and people to the region.

Our focus in this section of the report, however, is on the mega-events that cannot be hosted in Southern Nevada because the needed facility does not exist. These events, if hosted in Las Vegas, would bring new wealth and new economic development to Nevada and the region.

The focus in this section is on export-based events. Those are the events that bring new dollars, spending, and wealth to the Las Vegas region's resorts. Export-based events generate new income and wealth. It is that income which defines the value of a new mega-events center. Creating new entertainment options for residents can mean there is less leakage of income from the regional economy, but that spending does not create new income for the hotels and casinos in the area.

Professionals in the convention, hospitality, and tourist industry have identified the tourist destinations that have the infrastructure to host mega-events at all-weather or modern stadia and ballparks. Southern Nevada does not have a facility to compete with those found in these markets.

- Dallas – With the development of Cowboys Stadium and the use of the Special Events Trust Fund, Dallas is positioned to more aggressively bid on a number of major special events. The Dallas City Council is also considering a massive renovation to the Cotton Bowl. If that project is approved, the region will have three state-of-the-art facilities to host mega-events. One of these, Cowboys' Stadium, is the largest all-weather, domed facility in the United States.
- Los Angeles – Two proposals exist for the development of a stadium if the National Football League decides to create or relocate a football team to the area. In addition, the University of Southern California is in the midst an extensive renovation of the Los Angeles Memorial Coliseum. In Pasadena, the Rose Bowl is also being renovated. The existence of LA LIVE, the Nokia Theatre, the Staples Center, and several other venues could establish Los Angeles as a competitor for events that could be hosted in Las Vegas.
- New Orleans – The State of Louisiana has recently finished renovating the Superdome for the second time this decade, spending \$250 million in 2006 fixing damages from Hurricane

Katrina, and \$85 million this past year on new enhancements. The Superdome is quickly becoming one of the most modernized mega-events facilities in the country. Modernization of the facility has helped re-secure New Orleans' position as home to an NFL franchise and has solidified its place as a host city for major neutral-site sporting events. The Superdome recently won a bid for the 2013 Super Bowl, will continue to host the Allstate Sugar Bowl, was host to the 2012 Men's Final Four (basketball), and will host the 2013 Women's Final Four (basketball). Since the Superdome's reopening in 2006, events held at the facility have had a total fiscal benefit of \$4.1 billion for the Louisiana economy. It is estimated that by 2025, the Superdome will have a total fiscal annual economic benefit of \$19.9 billion on the Louisiana economy. Also in the area is the New Orleans Arena (adjacent to the Superdome and home to the New Orleans Hornets), and in 2014 Tulane University's new 30,000-seat football stadium will be completed.

- Orlando – In 2011 construction was completed on a new arena for the Orlando Magic, the Amway Center in downtown Orlando. With a construction cost of more than \$487 million, the Amway Center is one of the most technologically advanced sports arenas in the country, winning the "Facility of the Year" award at the Sports Business Awards in 2012. At seven stories tall, the new arena is more than double the size of the previous Amway Arena, and includes high end restaurants and bars, outdoor patios, an LEED Gold design, views of downtown Orlando, digital signage on 1,100 HD screens, and hundreds of works of art. The Arena is just one part of the City's master plan to revamp Downtown Orlando. The Master Plan includes improvements to the Citrus Bowl,<sup>9</sup> a new performing arts center, a "Creative Village," and a new residential and business district downtown. Orlando is one of several cities using sports and entertainment to attract visitors and residents to its downtown area. A renovated downtown with an exciting entertainment district and Creative Village will make Orlando an increasingly more attractive city to most mega-events. Orlando is also enhancing its convention center an effort to bring more meetings to the area.
- San Diego – Two major projects are in early planning stages for San Diego that will add to its entertainment and

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<sup>9</sup> Budgeted at \$175 million, the financing required for the renovations for the Citrus Bowl is still not finalized. A new plan announced at the end of June 2012, however, appears to have received the needed support that could lead to the initiation of the proposed work.

meeting/convention infrastructure. A new facility will be built for the San Diego Chargers within 5-6 years and that will give the city a new state-of-the-art stadium with seating for at least 70,000 spectators. Petco Park is a “crown jewel” among ballparks and it offers seating for more than 40,000 spectators for entertainment events. The San Diego Convention Center is also planning for a major renovation and expansion.

- Indianapolis – At a very different level, but a city that has built an extraordinary set of facilities that has also successfully hosted a Super Bowl and numerous NCAA championships, Indianapolis has a domed stadium connected to a large convention center. Nearby is also a state-of-the-art arena.
- Charlotte – Similar in some ways to Indianapolis, the city will host the Democratic National Convention and has a new, modern downtown arena. It has a relatively new football stadium too and also hosts NASCAR’s largest race. It has the potential to emerge as a major tourist destination and the North Carolina legislature is considering legislation that would expand casino gaming opportunities.
- New York City Metropolitan Area – While there is no covered stadium in the region, the New York City metropolitan area is home to three new mega-events stadia (Citi Field, MetLife Stadium, and Yankee Stadium). One new arena will open in Brooklyn in 2012 and Madison Square Garden is undergoing a \$1 billion renovation. It is anticipated that a new arena for the New York Islanders (National Hockey League) will be built within five years and Newark, New Jersey recently opened an arena for the New Jersey Devils.

Each of these destinations for tourists, conventions, and sports events has a state-of-the-art facility to host mega-events. The Las Vegas metropolitan region, with the largest concentration of resort locations and one of the world’s most convenient airports, does not have a facility to compete with what exists in these other areas. As a result, some events will not appear in the Las Vegas metropolitan region. Some events that currently occur in Southern Nevada may well decide to move to other metropolitan areas. The growth opportunities afforded by better facilities in these other areas might offset the advantages created by the range of resorts in the metropolitan Las Vegas area and the amenities they offer to visitors.

The most important element in the measurement of the economic benefits from the building of an all-weather mega-events center with seating for at least 55,000 spectators is the projection of the number of new events that would be held each year. In addition, evidence must be presented that these events could not be held in existing venues. The research team performed several tasks to insure that the projected number of events was realistic and that the economic returns that would be realized was reasonable.

If a covered, mega-events center were built, what events could the Las Vegas region expect to host?

Interviews with leadership from the LVCVA, LVE, and consultants involved with the local hospitality sector were conducted to understand the contributions a state-of-the-art, covered, and air-conditioned mega-events center could make to the region's strategy of attracting major events to the region.

Each of the events discussed would require a venue with seating for 55,000 or more people. None of the events discussed could be held any of the facilities that currently exist in the metropolitan Las Vegas region.

Those interviewed were convinced that a state-of-the-art facility that could be positioned to attract events to the region (especially in the spring, summer, and early fall months) would include:

1. PAC-12 Football Conference Championship Game (December)
2. NFL Exhibition game (August)
3. New College Football Bowl Game (December)
4. Neutral Site College Football Game (Fall)
5. Second Neutral Site College Football Game (Fall)
6. International Soccer Festival (Summer)
7. Electronic Music Festival (2 to 3 days, Summer)
8. Country Music Festival (either with ACM weekend or another time) 2-3 days
9. UFC International Fight Week (Summer)
10. Tour Concert (Summer)
11. Tour Concert (second, Summer)
12. Winter Kick Soccer Festival (February)
13. Rock Music Festival (Summer)
14. X Games (Summer)
15. NFL Pro Bowl (January)
16. MWC Football Championship Game (December)
17. NFR Closing Event (December)

In addition, LVE's leadership has indicated that these other events would be potential new opportunities for Southern Nevada if the new covered mega-events center existed.

18. Wrestlemania
19. Republican or Democratic National Convention
20. NCAA Final Four Basketball Championships
21. Comic-Con
22. Boxing
23. MLS All-Star Game
24. Corporate Events

*Regional experts including leadership from LVE and LVCVA anticipate 17 or more events each year although some might be infrequent. Based on their expectation and to provide a conservative assessment, for this analysis it is initially anticipated that **only 15 new mega-events will take place at the new mega-events center on an annual basis.***

Several facilities have initiated the hosting of collegiate football games between teams from other regions creating a bowl-like atmosphere for these games that are played in major tourist destinations or at world-class mega-events centers. For example, Cowboys Stadium will host a game in 2012 between the University of Michigan and the University of Alabama. A new mega-events center in Las Vegas will offer the opportunity to host a new set of NCAA football games that will attract the loyal alumni of universities that would also enjoy a weekend vacation in Southern Nevada.<sup>10</sup>

This list of possible events that could be part of the annual calendar (with several taking place in warm-weather months) sustains the projection that 15 mega-events could make a substantial contribution of the region's economy.

Have stadia and ballparks made a similar contribution to other regions through the hosting of mega-events? Is there a sufficient supply of events each year to insure that at least 15 events could be held each year in a new mega-events center? To understand if the optimism of local leadership could be sustained by the experience of other areas the research team performed two other tasks.

**First**, the project team analyzed all of the events held at ballparks and stadia across North America for the past several years. This was done to measure the supply of events produced by the sports and entertainment industries.

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<sup>10</sup> Readers are also reminded that the expansion of McCarran International Airport (Terminal 3) will support non-stop service to Central and South America. Soccer fans from countries in Central and South American will help make international soccer games more popular and financially successful. The expansion of direct air service to countries where soccer is the most popular pastime further underscores the likelihood of attracting more visitors to Las Vegas as a result of the new mega-events center and the events that it will support. Copa Airlines has already announced that it will begin service to Las Vegas from Central America with the opening of Terminal 3.

**Second**, through the enumeration of events held at ballparks and stadia, it was also found that there are a few regions across the country that host 4 to 5 large-scale entertainment and special sports events every year. That level of success for areas that lack the tourist infrastructure that exists in metropolitan Las Vegas provides important evidence that a covered mega-events center in the region could indeed attract at least 15 events each year. The annual supply of events that are held in venues with at least 50,000 seats each year and the number held in different regions are summarized in Table 4-1 for the past six years.

**Table 4-1. A Selected List of Concerts Held At Ballparks and Stadia, 2006-2011**

<i>Date</i>	<i>Event</i>	<i>Venue</i>	<i>Shows</i>	<i>Tickets Sold</i>	<i>Total Capacity</i>	<i>Sold (%)</i>	<i>Region</i>	<i>Population (in millions)</i>
<b>7/2009</b>	Chesney, Brooks & Dunn, Sammy Hagar, LeAnn Rimes, Gary Allan	Turner Field Georgia	1	42,832	46,128	92.9	Atlanta	5.4
<b>10/2009</b>	U2, Muse	Dome	1	61,419	61,419	100	Atlanta	5.4
<b>5/2008</b>	Chesney, Brooks & Dunn, Big & Rich, LeAnn Rimes, Gary Allan	M&T Bank Stadium	1	42,316	45,359	93.3	Baltimore	2.7
<b>7/2006</b>	Chesney, Gretchen Wilson, Big & Rich, Dierks Bentley, Carrie Underwood	Gillette Stadium	1	55,124	55,124	100	Boston	4.5
<b>7/2006</b>	Dave Matthews Band, Sheryl Crow	Fenway Park	2	68,118	68,118	100	Boston	4.5
<b>9/2006</b>	Bon Jovi, Nickelback	Gillette Stadium	1	45,874	45,874	100	Boston	4.5
<b>7/2007</b>	Chesney, Brooks & Dunn, Sugarland, Sara Evans, Pat Green	Gillette Stadium	1	56,296	56,296	100	Boston	4.5
<b>7/2008</b>	Chesney, Urban, Sammy Hagar, LeAnn Rimes, Gary Allan	Gillette Stadium	1	57,394	57,394	100	Boston	4.5
<b>7/2008</b>	Police, Fiction Plane	Fenway Park	2	67,154	67,154	100	Boston	4.5
<b>8/2008</b>	Neil Diamond	Fenway Park	1	35,748	35,748	100	Boston	4.5
<b>9/09</b>	Phish	Fenway Park	1	34,906	34,906	100	Boston	4.6
<b>9/09</b>	Dave Matthews Band, Willie Nelson	Fenway Park	2	62,215	66,015	94.2	Boston	4.6
<b>7/09</b>	Elton John, Billy Joel	Gillette Stadium	1	52,007	52,007	100	Boston	4.6
<b>8/09</b>	Chesney, Sugarland, Montgomery Gentry, Lambert, Lady Antebellum	Gillette Stadium	1	57,890	57,890	100	Boston	4.6
<b>9/09</b>	U2, Snow Patrol	Gillette Stadium	2	138,805	138,805	100	Boston	4.6
<b>6/10</b>	Eagles, Dixie Chicks, Keith Urban	Gillette Stadium	1	26,433	41,582	63.6	Boston	4.6
<b>6/10</b>	Taylor Swift, Justin Bieber, Kellie Pickler, Gloriana	Gillette Stadium	1	56,868	56,868	100	Boston	4.6
<b>7/10</b>	Bon Jovi, Kid Rock	Gillette Stadium	1	51,138	51,138	100	Boston	4.6

<b>8/10</b>	Paisley, Aldean, Ruckers, Evans, Easton Corbin	Gillette Stadium	1	51,107	51,107	100	Boston	4.6
<b>7/06</b>	Bon Jovi, Nickelback	Soldier Field	1	52,612	52,612	100	Chicago	9.4
<b>7/07</b>	Police, Fiction Plane	Wrigley Field	2	79,458	79,458	100	Chicago	9.5
<b>6/08</b>	Chesney, Urban, LeAnn Rimes, Gary Allan, Luke Bryan	Soldier Field	1	46,463	48,585	95.6	Chicago	9.5
<b>6/09</b>	Chesney, Sugarland, Montgomery Gentry, Lambert, Lady Antebellum	Soldier Field	1	48,763	50,109	97.3	Chicago	9.6
<b>7/09</b>	Rascal Flatts, Dierks Bentley, Darius Rucker	Wrigley Field	1	36,500	36,500	100	Chicago	9.6
<b>7/09</b>	Elton John, Billy Joel	Wrigley Field	2	77,520	77,520	100	Chicago	9.6
<b>9/09</b>	U2, Snow Patrol	Soldier Field	2	135,872	135,872	100	Chicago	9.6
<b>6/10</b>	Eagles, Dixie Chicks, Keith Urban	Soldier Field	1	29,233	32,420	90.2	Chicago	9.6
<b>7/10</b>	Bon Jovi, Kid Rock Deadmau5, Willy Joy, Designer Drugs, Brazilian Girls,	Soldier Field	2	95,959	95,959	100	Chicago	9.6
<b>7/10</b>	Ghetto Division	Soldier Field	1	85,000	85,000	100	Chicago	9.6
<b>9/10</b>	Dave Matthews Band, Jason Mraz	Wrigley Field	2	78,302	78,302	100	Chicago	9.6
<b>7/07</b>	Vans Warped Tour	Invesco Field	1	21,495	25,000	86.0	Denver	2.4
<b>6/08</b>	Vans Warped Tour	Invesco Field	1	18,894	20,000	94.5	Denver	2.5
<b>5/11</b>	U2, The Fray	Invesco Field	1	77,918	77,918	100	Denver	2.5
<b>7/06</b>	Vans Warped Tour	Comerica Park	1	19,743	20,008	98.7	Detroit	4.5
<b>8/06</b>	Chesney, Gretch Wilson, Dierks Bentley, Carrie Underwood, Blain Larsen	Ford Field Comerica Park	1	44,836	44,836	100	Detroit	4.5
<b>7/07</b>	Vans Warped Tour	Ford Field Comerica Park	1	21,297	22,500	94.7	Detroit	4.5
<b>8/07</b>	Chesney, Brooks & Dunn, Sugarland, Sara Evans, Pat Green	Ford Field	1	47,470	47,470	100	Detroit	4.5
<b>8/08</b>	Chesney, Urban, LeAnn Rimes, Gary Allan, Luke Bryan	Ford Field	1	46,871	48,194	97.3	Detroit	4.3
<b>11/08</b>	Madonna	Ford Field	1	30,119	30,119	100	Detroit	4.3
<b>9/09</b>	Chesney, Sugarland, Montgomery Gentry, Lambert, Lady Antebellum	Ford Field	1	49,215	49,215	100	Detroit	4.4
<b>9/10</b>	Eminem, Jay-Z	Comerica	2	86,264	86,264	100	Detroit	4.3



		Park						
		Minute						
11/08	Madonna	Maid Park	1	41,498	41,498	100	Houston	5.9
	Chesney, Urban,							
	LeAnn Rimes, Gary	Lucas Oil						
9/08	Allan, Luke Bryan	Stadium	1	50,528	50,528	100	Indianapolis	1.7
	Chesney, Sugarland,							
	Montgomery							
	Gentry, Lambert, Zac	Lucas Oil						
9/09	Brown Band	Stadium	1	45,178	45,178	100	Indianapolis	1.7
	Police, Foo Fighters,	Dodger						
6/07	Fiction Plane	Stadium	1	55,623	55,623	100	Los Angeles	12.7
	Madonna, Paul	Dodger						
11/08	Oakenfold	Stadium	1	43,919	43,919	100	Los Angeles	12.8
	Police, Maroon5,	Sun Life						
7/07	Fiction Plane	Stadium	1	46,105	46,105	100	Miami	5.6
	Madonna, Paul	Sun Life						
11/08	Oakenfold	Stadium	1	47,998	47,998	100	Miami	5.5
		Sun Life						
5/10	Paul McCartney	Stadium	1	35,784	35,784	100	Miami	5.5
	Chesney, Gretchen							
	Wilson, Big & Rich,							
	Dierks Bently, Little							
7/06	Big Town	LP Field	1	47,699	47,699	100	Nashville	1.5
	Chesney, Urban,							
	Sammy Hagar,							
	LeAnn Rimes, Gary							
7/08	Allan	LP Field	1	50,422	50,422	100	Nashville	1.6
	Bamboozle Festival:							
	Fallout Boy, AFI, All							
	American Rejects,	Giants						
5/06	others	Stadium	2	61,117	61,117	100	New York	18.8
	Hot 97 Summer Jam:							
	Sean Paul, T.I. Chris	Giants						
6/06	Brown, others	Stadium	1	52,916	52,916	100	New York	18.8
		Giants						
7/06	Bon Jovi, Nickelback	Stadium	3	164,975	164,975	100	New York	18.8
	Hot 97 Summer Jam:							
	P. Diddy, Ludacris,	Giants						
7/07	Chris Brown, others	Stadium	1	47,029	47,029	100	New York	18.9
	LIVE EARTH: The							
	Police, Bon Jovi,							
	Kanye West, Dave	Giants						
7/07	Matthews Band etc.	Stadium	1	46,160	50,011	92.3	New York	18.9
	Police, The Fratellis,	Giants						
8/07	Fiction Plane	Stadium	1	55,247	55,247	100.0	New York	18.9
	AC/DC, The Answer,	Giants						
7/09	Anvil	Stadium	1	46,673	53,567	87.1	New York	19.1
		Giants						
9/09	U2, Muse	Stadium	2	161,810	161,810	100	New York	19.1
	Dave Matthews							
	Band, Zac Brown							
7/10	Band	Citi Field	2	70,716	70,716	100	New York	19.1
7/09	Paul McCartney	Citi Field	3	109,541	109,541	100	New York	19.1
	Police, Fratellis,	McAfee						
6/07	Fiction Plane	Coliseum	1	47,202	47,202	100	Oakland	4.2

<b>7/06</b>	Bon Jovi, Nickelback Chesney, Brooks & Dunn, Sugarland, Sara Evans, Pat	Citizens Bank Park	2	39,409	39,409	100	Philadelphia	5.9
<b>6/07</b>	Green Police, Fratellis,	Lincoln Financial Field	1	51,737	51,737	100	Philadelphia	5.9
<b>7/07</b>	Fiction Plane Chesney, Urban, Sammy Hagar,	Citizens Bank Park	1	42,599	42,599	100	Philadelphia	5.9
<b>7/08</b>	LeAnn Rimes, Gary Allan Chesney, Sugarland, Montgomery	Lincoln Financial Field	1	49,169	50,017	98.3	Philadelphia	5.9
<b>7/09</b>	Gentry, Lambert, Lady Antebellum	Lincoln Financial Field	1	52,343	52,343	100	Philadelphia	6.0
<b>7/09</b>	Billy Joel, Elton John	Citizens Bank Park	2	89,690	89,690	100	Philadelphia	6.0
<b>5/08</b>	Chesney, Urban, Sammy Hagar, Gary Allan	University of Phoenix Stadium University of Phoenix Stadium	1	40,098	47,132	85.1	Phoenix	4.3
<b>10/09</b>	U2, Black Eyed Peas Chesney, Brooks & Dunn, Sugarland, Sara Evans, Pat	Heinz Field	1	50,775	50,775	100	Phoenix	4.4
<b>6/07</b>	Green Chesney, Urban, LeAnn Rimes, Gary	Heinz Field	1	54,372	54,372	100	Pittsburgh	2.4
<b>6/08</b>	Allan, Luke Bryan Chesney, Sugarland, Montgomery	Heinz Field	1	45,770	50,136	91.3	Pittsburgh	2.4
<b>6/09</b>	Gentry, Lambert, Lady Antebellum Dave Matthews Band, Zac Brown	Heinz Field	1	47,510	49,103	96.8	Pittsburgh	2.4
<b>7/10</b>	Band Madonna, Paul	PNC Park	1	30,964	38,365	80.7	Pittsburgh	2.4
<b>11/08</b>	Oakenfold Rock The Bells: Nas, Mos Def, Rage Against The Machine, The Roots, etc.	PETCO Park	1	35,743	35,743	100.0	San Diego	3.0
<b>8/07</b>	Chesney, Brooks & Dunn, LeAnn Rimes, Gary Allan, Luke	AT&T Park	1	47,053	47,053	100	San Francisco	4.2
<b>7/08</b>	Bryan Chesney, Mirana Lambert, Lady	AT&T Park	1	34,328	37,033	92.7	San Francisco	4.3
<b>7/09</b>	Antebellum	AT&T Park	1	36,258	37,411	96.9	San Francisco	4.3
<b>7/10</b>	Paul McCartney Chesney, Gretchen Wilson, Big & Rich,	AT&T Park	1	40,512	40,512	100	San Francisco	4.3
<b>6/06</b>	Dierks Bentley,	Qwest Field	1	44,582	44,582	100	Seattle	3.3

	Blaine Larsen							
	Chesney, Brooks & Dunn, Sugarland, Sara Evans, Pat Green	Qwest Field	1	45,939	45,939	100	Seattle	3.3
7/07	Chesney, Sugarland, Montgomery Gentry, Lambert, Lady Antebellum	Qwest Field	1	42,092	45,064	93.4	Seattle	3.4
8/09		Busch Memorial Stadium	1	25,904	35,318	73.3	St. Louis	2.8
6/10	Eagles, Dixie Chicks							
	Chesney, Gretchen Wilson, Big & Rich, Dierks Bentley, Carrie Underwood	Raymond James Stadium	1	45,002	45,002	100	Tampa Bay	2.7
7/06		Raymond James Stadium	1	72,688	72,688	100	Tampa Bay	2.8
10/09	U2, Muse							
	Chesney, Zac Brown Band, Billy Currington, Uncle Kraker	Raymond James Stadium	1	50,548	50,548	100	Tampa Bay	2.8
3/11		Rogers Centre	1	45,350	45,350	100	Toronto	5.6
1/09	AC/DC, The Answer							
	Coldplay, Elbow, Kitty Daisy & Lewis	Rogers Centre	1	45,116	45,116	100	Toronto	5.6
7/09	Jonas Brothers, Jordin Sparks, Honor Society	Rogers Centre	1	55,156	55,156	100	Toronto	5.6
8/09		Rogers Centre	2	115,411	115,411	100	Toronto	5.6
6/09	U2, Snow Patrol	Rogers Centre	1	35,681	36,000	99.1	Toronto	5.6
6/10	Eagles & Dixie Chicks	Rogers Centre	2	85,494	85,494	100	Toronto	5.6
7/10	Bon Jovi, Kid Rock	FedEx Field	1	84,754	84,754	100	Washington, DC	5.5
9/09	U2, Muse							
	Dave Matthews Band, Zac Brown Band	Nationals Park	1	36,772	36,772	100	Washington, DC	5.6
7/10		Nationals Park	1	38,617	38,617	100	Washington, DC	5.5
7/09	Elton John, Billy Joel							

Source: Authors' research

A new covered mega-events center with seating for at least 55,000 spectators combined with (1) the experience of organizations in the region that seek to attract events and (2) the current resources of the hospitality industry that currently exist (hotels, shows, retail centers, etc.) suggests that with a pronounced marketing effort hosting a total of 15 new mega-events is a realistic estimate and expectation.<sup>11</sup>

Some might think that a total of 15 export-based events is a conservative projection of the number of events new to the region that would be held at a state-of-the-art facility. Given that so many studies of new facilities overestimate the number of events that can be hosted, a conservative approach was favored. Before focusing on the insights that can be used to sustain this estimated the number of events that would potentially be held at a new mega-events center, it is useful to consider what the new economic development effects of 15 export-based events each attracting approximately 55,000 fans would mean for Las Vegas.

In reviewing these data readers are also reminded that events that would most likely attract residents of the region are not included in this section of the report. There are numerous events that will improve the quality of life in the region, but which will not bring new spending to the region's economy. In addition, those events that primarily attract residents of the region do not produce new room nights for the region's resorts. For that reason none of those events are included in this section of the analysis.

To estimate the number of out-of-town visitors who would likely attend the new 15 anticipated events surveys conducted for LVCVA were used. These intercept interviews with people attending concerts and special athletic events. Their work indicates that approximately 70 percent of the spectators to these special events are not residents of the Southern Nevada. While it is likely the special events at the new mega-events center might attract more non-residents, for this study, patterns found in surveys performed for LVCVA were used.

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<sup>11</sup> While beyond the scope of this report it is likely that a new management team to market the facility working directly with LVE will be needed to reach the projected total of 15 annual events.

It is also important to note that the events that would take place in the new mega-events center because of its all-weather ability could also occur at times that have traditionally attracted fewer visitors to the region. In this regard then, there is an additional benefit since there is likely to be more excess capacity at resorts to accommodate additional visitors. This increases the value of the new mega-events center to the regional economy and to the region's resorts.

Table 4-2 provides an assessment of direct spending by new visitors for 15 events, and then also includes calculations for far more robust returns based on 20, 25, and 30 events. Those projections for a larger set of events are provided for illustrative purposes only, as the real issue is whether or not 15 events (a more conservative number of new export-based events) would generate enough economic gains to warrant building a facility. The potential returns from a larger number of events have to be tempered by the ability of the local market to actually absorb as many as 2 large export-based tourism large events each month. It is reasonable to expect, however, that in months with fewer conventions the mega-events center would attract activities (international soccer competitions, for example) that could have a positive effect on the demand for hotel rooms. Sustaining an activity level of two events per month across a calendar year that attract large numbers of visitors would require an unlikely shift in demand given the current state of the economy and the competition from other regions.

There is a great deal of information in Table 4-2. What is critical to appreciate is that the projections regarding visitor spending are based on surveys of people who came to Las Vegas to attend other special events. Those surveys were commissioned by LVCVA. During most special events, professional research firms are retained to interview visitors. As a result, the estimates in Table 4-2 regarding gaming levels, expenditures for food and entertainment, the number of hotel rooms rented, retail spending, and other expenditures are based on the responses of visitors to special events held in Las Vegas.

There is no reason to expect that the patterns observed from respondents would be different since the firms retained by LVCVA and LVE adhered to state-of-the-art practices for these types of surveys (intercept studies). It is anticipated, however, that there would be a concentration of events at the mega-events center during periods that the total number of visitors to Las Vegas is smaller than what occurs at other times. For example, international soccer games are likely to be held in July and August. A special collegiate football game at the start of the college year would likely also be held in late August or early September. Concerts could be held in June and July too. National Football League exhibition games would be held in August. These events are in addition to those already held at Sam Boyd Stadium that are detailed in a latter section of this report.

Applying the appropriate tax rates to estimates of expenditures produced the projection of tax revenues that would potentially accrue to all levels of government and the LVCVA. No adjustment was made for a special tax district that might be created; its establishment by the legislature would not change the total amount of new taxes produced, only the units of government that would receive the funds. It is also important to note that the new tax revenues reported for governments do not account for any costs associated with the provision of services to the new visitors. As a result, the new tax revenues are fiscal benefits but are not a representative of net new revenue (that accounts for additional costs of service provision).

A notation is made for consumption that might occur at other locations in Southern Nevada but away from the hotels, casinos, and restaurants throughout Las Vegas. That adjustment was made to also account for the purchase of tickets to special events at the new facility. While it is likely that the purchase of tickets to events would not affect other forms of consumption by visitors, a more conservative approach was taken to insure that the projected benefits are robust even when the possibility of reduced consumption because of ticket prices (and spending away from venues throughout Las Vegas) is considered. In this regard readers are assured that a very conservative approach was taken in the production of estimates of new spending at the region's resorts. A high level of consumption inside of the mega-events center was also anticipated to insure that the projected spending at resorts throughout Southern Nevada is appropriately conservative.

As previously noted, the projections were made anticipating a seating capacity of 55,000 (the design of the mega-events center has not yet been finalized) and that an average of 45,000 seats would be sold to mega-events. The spending levels were not based on the possibility that any of the new events would involve the selling of every seat. The projected new economic activity was calculated by estimating the number of attendees that would be visitors to the region. The proportion used for that projection came from LVCVA surveys of the people who attended events held at national and international events at existing entertainment venues. That share (70 percent of attendees) was further reduced as it was anticipated that some visitors would have decided to visit Southern Nevada even if the mega-event was not being held at the new facility (see Table 4-2). All of these adjustments are noted in the first column of Table 4-2.

**Table 4-2. The Annual *Direct* Economic Value of Export-Based Events To The Las Vegas Regional Economy and the Region's Resorts**

<b>Categories</b>	<b>Number of Export "Mega-Events" At Mega-Events Center</b>			
	<b>15</b>	<b>20</b>	<b>25</b>	<b>30</b>
<i>Mega-Events Center Capacity</i>	55,000	55,000	55,000	55,000
<i>Estimated Event Attendance</i>	45,000	45,000	45,000	45,000
<i>Tickets Purchased by Visitors (70 Percent)</i>	472,500	630,000	787,500	945,000
<i>Tickets Purchased By Visitors Who Came Only for Event (85 Percent)</i>	401,625	535,500	669,375	803,250
<i>Incremental Visitors To Las Vegas</i>	401,625	535,500	669,375	803,250
<i>Visitors Lodged in Hotel/Motel (95 Percent of Incremental Visitors)</i>	381,544	508,725	635,906	763,088
<i>Length of Stay (Average Number of Nights)</i>	3.7	3.7	3.7	3.7
<i>Average Number of People Per Room</i>	2.1	2.1	2.1	2.1
<i>Total Number of Room Nights</i>	672,244	896,325	1,120,406	1,344,488
<i>Average Lodging Expenditures Per Night</i>	\$125.00	\$125.00	\$125.00	\$125.00
<i>Average Food &amp; Beverage Expenditure</i>	\$274.69	\$274.69	\$274.69	\$274.69
<i>Average Local Transport</i>	\$64.25	\$64.25	\$64.25	\$64.25
<i>Average Retail Expenditures</i>	\$129.34	\$129.34	\$129.34	\$129.34
<i>Average Expenditures for Entertainment</i>	\$49.28	\$49.28	\$49.28	\$49.28
<i>Average Gaming</i>	\$242.00	\$242.00	\$242.00	\$242.00
<i>No. Gaming (77 Percent of Incremental Visitors)</i>	309,251	412,335	515,419	618,503
<i>Average Sightseeing Expenditures</i>	\$10.24	\$10.24	\$10.24	\$10.24
<b>Annual Incremental Visitor Expenditures</b>				
<i>Lodging</i>	\$84,030,469	\$112,040,625	\$140,050,781	\$168,060,938
<i>Food and Beverage</i>	\$110,322,371	\$147,096,495	\$183,870,619	\$220,644,743
<i>Retail Spending</i>	\$51,946,178	\$69,261,570	\$86,576,963	\$103,892,355
<i>Entertainment (Shows)</i>	\$19,792,080	\$26,389,440	\$32,986,800	\$39,584,160
<i>Gaming</i>	\$97,193,250	\$129,591,000	\$161,988,750	\$194,386,500
<i>Local Transport</i>	\$25,804,406	\$34,405,875	\$43,007,344	\$51,608,813
<i>Sightseeing</i>	\$4,112,640	\$5,483,520	\$6,854,400	\$8,225,280
<b><u>TOTAL ANNUAL Benefit for the Las Vegas Regional Economy</u></b>	<b>\$393,201,394</b>	<b>\$524,268,525</b>	<b>\$655,335,656</b>	<b>\$786,402,788</b>
<i>Consumption on UNLV Campus</i>	\$66,150,000	\$88,200,000	\$110,250,000	\$132,300,000
<b><u>TOTAL ANNUAL Direct Economic Benefit for Resorts, Retail Centers in Metropolitan LV</u></b>	<b>\$327,051,394</b>	<b>\$436,068,525</b>	<b>\$545,085,656</b>	<b>\$654,102,788</b>
<b>Annual Incremental or New Tax Revenues</b>				
<i>State of Nevada Sales Tax</i>	\$13,037,862	\$17,383,816	\$21,729,770	\$26,075,724
<i>Clark County Sales Tax</i>	\$2,414,419	\$3,219,225	\$4,024,031	\$4,828,838
<i>Live Entertainment Tax</i>	\$4,329,863	\$5,454,863	\$6,579,863	\$7,704,863
<i>Hotel Taxes</i>	\$10,083,656	\$13,444,875	\$16,806,094	\$20,167,313
<i>NV General Fund Gaming Tax Revenue</i>	\$6,560,544	\$8,747,393	\$10,934,241	\$13,121,089
<i>Car Rental Taxes and Fees</i>	\$362,688	\$483,584	\$604,480	\$725,376
<b><i>Total Tax Revenues Generated</i></b>	<b>\$36,789,032</b>	<b>\$48,733,756</b>	<b>\$60,678,479</b>	<b>\$73,623,203</b>
<b><i>LVCVA Share of Hotel Taxes</i></b>	<b>\$4,201,523</b>	<b>\$5,602,031</b>	<b>\$7,002,539</b>	<b>\$8,403,047</b>

If 15 events were held a total of 472,500 seats would be sold **to visitors**. With an average ticket price of \$100,<sup>12</sup> visitors would spend \$47.2 million to attend events. If \$1.26 million were also spent on food, beverages, and souvenirs at each event (\$40 per person), total consumption at the mega-events center for each of 15 events would be \$66.1 million (\$47.2 million for tickets and \$18.9 million for food, beverages, and souvenirs).<sup>13</sup> A total of 15 events hosted at a new mega-events center would produce a total of \$393.2 million in new direct spending for metropolitan region's hospitality sector.

If additional mega-events events beyond the 15 anticipated are held at the new mega-events center, its economic value for Southern Nevada increases. For example, if 20 new mega-events were held at the new facility, more than \$500 million in new business for the hospitality sector in Southern Nevada would result, and more than \$400 million in new would be created each year for the region's resorts and retail outlets. If as many as 30 new export-based events were held at the new mega-events center, Southern Nevada's resorts and retail venues would enjoy more than \$650 million in new spending (see Table 4-2).

The new mega-events center would also produce new tax revenues for Nevada and Clark County local governments. With 15 new mega-events each year the State of Nevada, local governments throughout Southern Nevada, and the Clark County Department of Aviation would receive \$32.5 million in new tax revenues and fees. If the live entertainment tax were included, 15 mega- events would potentially generate \$36.8 million each year for the public sector.

In projecting the benefit from 15 export-based events it is critical to note that no value has been included to account for the benefit of having a mega-events center that helps to ensure that the Las Vegas metropolitan area has a facility that helps insure that no major event currently taking place in Southern Nevada is attracted to another area.

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<sup>12</sup> The figure of \$100 for a ticket is used for illustrative purposes and is based on average ticket prices for events similar to those that would be held at the new mega-events center. For example, ticket prices for the football game at Cowboys Stadium between the Alabama and Michigan exceed \$100. Tickets to Madonna's concerts at Yankee Stadium and the Rogers Centre (Toronto) exceed the average price of \$100. Kenny Chesney's concert scheduled for Ford Field (Detroit) for August 2012 also has an average ticket price exceeding \$100. These are similar to the events that are anticipated for the new facility.

<sup>13</sup> It is possible that tickets would be provided by third parties or sold as part of a package by the hotels or casinos. If paid for by third parties the net spending at the hotels and casinos would still likely be less and similar to the cost of the ticket. If tickets were included in packages there would still be a cost to the hotels. The net figures in Table 4-2 report the spending that would take place at the hotels and casinos. The taxes received by governments would be identical regardless of the location of the spending pending the creation of any special preference provided by the state. Such a preference would move some of the tax revenue to UNLV but the aggregate level would remain the same.



Cowboys Stadium in Arlington, Texas can be an attractive option as it can be configured to seat as many as 100,000 people in air-conditioned comfort. A new mega-events center in Las Vegas will give LVE and LVCVA an asset or amenity that can be made available to ensure that events that have found Southern Nevada to be a preferred location now have an additional reason to continue their association with the region. The new mega-events center will permit events that have grown or events that need the space that a large facility offers to focus their attention on Las Vegas.

While this value cannot be calculated, it is something that readers should consider as they weigh the returns from a new partnership with UNLV that leads to the building of a mega-events center on campus.

The key element in estimating the value of a new mega-events center for the hotels and casinos in Las Vegas is the number of new events that actually take place. The expectation of at least 15 new events was aided by the insights provided by leadership of LVE and LVCVA. Can other data be used to substantiate or support the expectation that 15 events are indeed possible?

Two (lengthy) tables are included to provide data to support the reasonable nature of the estimates of the value of 15 events from the spending by the additional visitors attracted to the region. Table 4-1 provides a list of concerts that have taken place at numerous ballparks and facilities where football is played across the United States between 2006 and 2010. The list is not exhaustive, as some event data for some facilities is not made available in summary form. It is possible that there were some concerts and shows that did take place that are not in this summary. That could mean that there were more events in a particular region. It is also important to note that LVE has the professional infrastructure in-place to capitalize on the availability of a state-of-the-art mega-events center with seating for at least 55,000 people. The stature of the organization and its success provides ample evidence that 15 events that are export-based in nature would be held at the new facility.

There are several important observations that would tend to sustain the estimate that the Las Vegas region should expect to host three to four concerts each year in addition to separately organized music festivals. It was found that three cities (Boston, Chicago, and Toronto) were successful in hosting three concerts in ballparks and stadia with large seating capacities in some years. Several other cities have hosted two concerts, and annual concerts at outdoor facilities take place elsewhere. While these other areas have larger residential population bases, Las Vegas' annual tourist traffic gives it a population base to serve that very attractive market. In addition, while Dodger Stadium and the Los Angeles Memorial Coliseum have hosted some events in the past, there have been years when neither facility hosted any concerts. The Hollywood Bowl's seating capacity is more similar to that of an arena.

A Las Vegas mega-events center would clearly be able to compete for events that could attract additional visitors from Southern California. There is, as of this writing, no firm plan for the building of new state-of-the-art stadium in the Los Angeles region. That area does have several facilities without a roof in which events can be held. As a result, what is envisioned for Las Vegas would be unique. When combined with Southern Nevada's hotels and the numerous other amenities in Southern Nevada, the new covered mega-events center will be a very attractive and competitive venue for mega-events. This facility combined with the region's amenities creates an opportunity to attract many people to events from the Southern California region.

The listing of concerts that take place at ballparks and stadia across North America also illustrates that there is an annual supply sufficient to anticipate that two to three events that could be hosted in Las Vegas. It is reasonable to anticipate that other entertainers could also be interested in playing a venue in Las Vegas. The data in Table 4-1 combined with the potential interest of other entertainers in performing in Las Vegas suggests an expectation of two to three concerts each year in an all-weather mega-events center is reasonable (see Table 4-1).

It can be expected that LVE and its leadership will work diligently to attract events once a state-of-the-art mega-events center is available. LVE's existing work and the insights of its leadership are also central to the estimate that 15 events could be scheduled at a new covered mega-events center and that these events cannot be held in Las Vegas at this time. The validity of the insights from leadership of the hospitality sector is underscored by their success in bringing events to Las Vegas and in maintaining the relationships required to encourage promoters and entertainers to focus on Las Vegas. A new mega-events center would increase the success that LVE and LVCVA have had to attracting events to the region.

LVE and LVCVA's contributions to the establishment of the Las Vegas region as the event entertainment center of North America is detailed in Table 4-3.

This table highlights entertainment events that staff from either organization have helped secure for Las Vegas. The number and scale of events attracted provide clear evidence of sensitivity to both the supply of events and the demand relative to groups and individuals that can continue to be attracted to Las Vegas. Their estimate of 15 events as a reasonable number that could be attracted to the region because of a new mega-events center is based on their past success and should provide confidence that the projected new spending at the region's resorts and in the regional economy is reasonable.

**Table 4-3. LVE and LVCVA: A Record of Success In Attracting Major Special Events to Las Vegas, 1983 to 2010**

<i><b>Date</b></i>	<i><b>Event</b></i>	<i><b>Out of Town Visitors</b></i>	<i><b>Non-Gaming Impact (\$ unadjusted)</b></i>
<b>1/83 to 6/90</b>	ESPN Box Pro	833	300,000
	BMX Races	750	270,000
	Las Vegas Mini Marathon	444	160,000
	Nevada Highland Games	464	170,000
	Descente Star Test	126	46,000
	Great American Race	158	58,000
	Men's International Volleyball	301	110,000
	Tropicana/Las Vegas Easter Run	328	120,000
	World's Indoor Horseshoe	3,279	1,200,000
	Las Vegas Square-dance	437	160,000
	International Miniature Horses	77	28,000
	Men's International Volleyball	241	85,000
	Las Vegas Square-dance	130	46,000
	Las Vegas Silver Cup Hydroplane	19,718	7,000,000
	NFR	N/A	14,300,000
	Semi-Pro AFL	44	16,000
<b>7/90 to 6/91</b>	Hydroplane	16,194	8,000,000
	Cutting Horse Futurity	1,579	780,000
	U.S. Triathlon	1,619	800,000
	NFR	37,725	23,800,000
	Las Vegas Prep Classic	1,822	900,000
	NCAA Women's Basketball	96	46,000
	Miss Universe	8,955	4,200,000
<b>7/91 to 6/92</b>	Nike Prep Classic	3,145	1,475,000
	Triathlon	2,345	1,100,000
	Las Vegas Cutting Futurity	2,047	960,000
	NFR	37,725	24,000,000
	Las Vegas Prep Classic	1,450	68,000
	Las Vegas Int'l Marathon	1,552	710,655
	Helicopter Championship	1,238	567,210
	Firefighter Games	18,341	8,400,000
<b>7/92 to 6/93</b>	World Aerobic Championship	1,622	742,994
	Nike Basketball Championship	733	335,720
	American Western Baseball	219	100,151
	Triathlon	1,092	500,000
	U.S. Western Team Roping	289	132,486

	Fairshow	668	306,016
	Las Vegas Rugby Challenge	487	223,088
	NFR	37,725	23,900,000
	U.S. Doubles Championship	939	430,260
	Las Vegas Bowl I	8,436	3,900,000
	Las Vegas Holiday Prep Classic	222	101,500
	Las Vegas International Marathon	2,913	1,200,000
	USA Wrestling	1,087	444,678
	US Western Team Roping	500	205,900
	Firefighter Games	945	389,382
<b>7/93 to 6/94</b>	Nike Basketball Championship	630	259,700
	Western Basketball Tournament	205	84,520
	Las Vegas Invitational Softball	682	281,160
	Men's Fast Pitch Tournament	785	323,244
	Class C Slow Pitch Softball	450	185,274
	Over-the-Line Tournament	287	118,260
	Las Vegas Blues Festival	443	182,500
	Fairshow	652	268,640
	LAS VEGAS Rugby Challenge	624	257,106
	NFR	37,725	24,300,000
	U.S. Table Tennis	850	350,400
	Las Vegas Bowl II	11,231	4,600,000
	Las Vegas Mini-Marathon	614	253,614
	Las Vegas Holiday Prep Classic	198	81,667
	Las Vegas Int'l Marathon	3,409	1,500,000
	Big League Weekend	3,864	1,700,000
	USA Wrestling	2,210	972,360
	Nevada Team Roping	834	367,044
	Helicopter Championship	1,136	499,977
	Senior Softball	971	427,050
	Las Vegas City of Lights	23	10,220
	World Aerobic Championship	1,655	728,394
	Nat'l Bocce Championship	629	276,816
	Las Vegas Midnights Seven	206	90,520
<b>7/94 to 6/95</b>	Nike Prep Classic	1,015	446,760
	Men's Slowpitch Softball	1,636	719,780
	Senior Baseball	1,399	615,536
	Winston Las Vegas	348	153,300
	Senior Olympics	143	63,072
	Las Vegas Blues Festival	400	175,784
	Las Vegas Balloon Classic	628	276,378
	NFR	37,725	23,391,000
	Las Vegas Bowl III	7,702	3,400,000

	Rugby Challenge	1,288	566,918
	U.S. Table Tennis	1,030	453,330
	Las Vegas Mini-Marathon	575	252,945
	Las Vegas Prep Classic	1,977	869,908
	Las Vegas Int'l Marathon	2,366	1,100,000
	Triple Crown Sports Softball	660	307,000
	Nevada Team Roping	3,215	1,495,000
	USSSA Softball Tournament	9,530	4,431,000
	USA Wrestling	2,500	1,163,000
	Las Vegas Int'l Rugby Festival	750	349,000
<b>7/95 to 6/96</b>	Nike Prep Classic	7,332	3,409,000
	American Legion Baseball	130	60,000
	Rocktoberfest	300	140,000
	Reebok Holiday Prep Classic	1,500	698,000
	USA Table Tennis	1,700	791,000
	Las Vegas Rugby Challenge	2,000	930,000
	NFR	37,725	24,013,000
	Las Vegas International Marathon	4,000	2,020,000
	Sahara Last Call 3 Player	190	96,000
	USTRC	540	273,000
	Clark County Fair	2,000	1,010,000
	Miss Universe	3,569	1,802,000
	Las Vegas Helldorado Days	1,233	623,000
<b>7/96 to 6/97</b>	Nike Prep Basketball	3,597	1,817,000
	American Legion Baseball	506	256,000
	Rocktoberfest	63	31,815
	Japan-American Festival	2,000	1,010,000
	Rugby Challenge	3,213	1,082,781
	USA Table Tennis	837	422,685
	Reebok Holiday Prep Classic	3,760	1,899,000
	WAC Football Championships	38,086	12,625,000
	NFR	37,725	24,400,000
	FSE Holiday Festival	107,000	3,782,450
	WAC Basketball Championship	12,453	5,784,044
	Vocal Extravaganza	2,600	1,313,000
	Las Vegas Busch Grand Nat'l	88,000	12,443,200
	Vintage Military Aircraft	71,750	18,152,750
	Wrangler Bull Riders Only	15,326	7,739,630
	US Team Roping Championship	2,000	341,250
	Las Vegas Show Jumping Invitational	696	351,480
	FSE Mardi Gras Weekend	2,692	1,414,000
	FSE Cinco De Mayo	13,603	1,279,670
	International Firefighters Games	2,016	1,018,080

	All American Football Foundation	350	50,500
<b>7/97 to 6/98</b>	Adidas Big Time Tournament	7,500	1,850,000
	FSE Hawaiian Luau	4,448	2,246,240
	Nevada State Rally	316	7,857,800
	NASCAR Truck	15,560	7,857,800
	Japan-American Festival	2,000	1,212,000
	Reebok Holiday Prep Classic	3,764	1,900,000
	FSE Country Holiday Festival	7,800	3,939,000
	USA Table Tennis	883	445,915
	WAC Football Championships	8,304	2,447,604
	NFR	37,725	27,620,889
	WAC Basketball Championship	11,500	8,922,045
	Int'l Festival & Events Association	192	96,960
	FSE Mardi Gras Weekend	5,600	2,828,000
	US Team Roping Championship	1,650	833,250
	Grand Canyon Regional Rodeo	700	353,500
	Clark County Fair	2,500	1,262,500
	EAT'M	1,515	765,075
	All American Football Foundation	85	42,925
	FSE Summer in the City	1,650	833,250
	Soapfest	100	50,500
<b>7/98 to 6/99</b>	American Legion Baseball	1,140	575,700
	FSE Island Beach Bash	1,950	984,750
	FSE Bandstand Experience	4,551	2,298,255
	Harley-Davidson Mile & Half	459	231,795
	Searchlight Centennial Celebration	1,500	757,500
	ASA Pro Tour Championships	5,192	2,621,960
	Japan Festival in LV	350	176,750
	NASCAR Truck	33,093	17,121,015
	World of Outlaws	13,838	6,988,190
	FSE Country Holiday Festival	16,746	8,456,730
	Cinevegas Int'l Film Festival	4,110	2,075,550
	USA Table Tennis	682	344,410
	NFR	37,725	36,492,900
	GFI Super X Invitational Motorcross	5,395	2,724,475
	FSE Mardi Gras Weekend	4,000	2,020,000
	U.S. Team Roping Championships	3,370	1,701,850
	Dodge Viper	2,895	1,461,975
	Grand Canyon Regional Rodeo	700	353,500
	EAT'M	5,230	2,641,150
	FSE Summer in the City	2,230	1,126,150
<b>7/99 to 6/00</b>	World Aerobic Championship	2,825	1,779,750

	FSE/Island Beach Bash	598	376,740
	Pentathlon World Tour Event	815	513,450
	CONCACAF Sky Champions Cup	2,520	2,142,000
	FSEI 60's Flashback	3,244	2,043,720
	FSEI Oktoberfest	652	410,760
	NFR	35,675	26,885,000
	CineVegas International Film Festival	4,250	4,250,000
	FSE Country Holiday Festival	12,720	8,013,600
	NHRA	31,959	21,140,879
	FSEI Mardi Gras	6,765	4,261,950
	U.S. Team Roping Championships	3,295	2,075,850
	Clark County Fair & Rodeo	3,144	1,980,720
	Budweiser World Cup 2000	12,580	10,850,800
	EAT'M	5,762	3,630,060
	FSE Fabulous 50's	2,856	2,713,200
<b>7/00 to 6/01</b>	FSE Twisting Weekend	3,807	2,398,410
	Cinevegas Int'l Film Festival	9,000	6,557,900
	Las Vegas International Air Show	20,450	1,473,200
	Las Vegas International Bike Festival	10,000	6,300,000
	FSE Downtown Hoedown	2,225	1,672,600
	NFR	41,800	38,657,100
	NFR Gift Show	3,135	1,967,490
	FSE Country Holiday Festival	1,950	1,191,600
	FSE Mardi Gras Weekend	275	185,700
	NHRA	44,050	27,642,700
	SFX - George Strait	13,725	5,699,000
	Clark County Fair & Rodeo	3,037	1,913,310
	U.S. Slow Pitch Softball Tournament	14,962	10,323,780
	FSE Talent Showcase	2,025	1,518,750
	FSE Las Vegas Jazz Festival	12,125	6,600,400
	FSE Vegas Cruise	1,000	630,000
<b>7/01 thru 6/02</b>	Senior Softball	14,465	18,616,455
	The Southwest Open	240	30,175
	NFR	38,675	34,285,400
	Nevada Open (Mesquite)	344	43,470
	Cliff Keen Wrestling	1,580	1,071,000
	FSE Downtown Hoedown	1,800	1,379,900
	FSE Holiday Festival	5,350	3,437,100
	FSE Mardi Gras Weekend	775	532,200
	NHRA		
	April	19,775	15,060,400
	October	21,750	16,609,800

	Dragon Boat Race	3,750	972,300
	Cinevegas Int'l Film Festival	575	469,900
	FSE Jazz Festival	5,100	3,213,000
	FSE Vegas Cruise	4,725	1,250,000
	Primm 300 LVCVA	5,800	1,691,300
	Senior Softball	825	332,275
	Copa Coors Light, Road to Las Vegas	225	170,400
	USSSA Softball Tournament	19,058	19,006,540
	FSE War and the Ohio Players	6,312	4,487,832
	Las Vegas Stampede	675	497,300
	Silver Dollar Classic	12,150	7,336,900
	Las Vegas Primm 300	6,500	1,914,300
	Las Vegas Bikefest	7,500	989,900
	NASCAR Truck	7,175	4,472,200
	Southwest Golf Open (Mesquite)	345	43,470
	Las Vegas Senior Softball	1,950	4,725,000
	NFR	44,025	38,692,700
	Nevada Open (Mesquite)	345	43,470
	Cliff Keen Wrestling	1,275	746,500
	FSE Holiday Festival	4,850	3,702,878
	FSE Downtown Hoedown	1,650	1,491,452
	City of Lights Jazz Festival	1,500	1,066,500
	NHRA	41,975	31,311,400
	FSE Mardi Gras Weekend	10,900	411,100
	LPGA Takefuji Classic	3,275	2,763,700
	Budweiser World Cup	6,125	6,653,500
	Cinevegas	3,050	2,355,600
	USSSA Softball Tournament	21,745	15,460,695
	FSE Jazz Festival	1,175	744,500
	FSE Vegas Cruise	1,525	1,135,100
	Dragon Boat Race	4,625	983,500
	Mesquite Amateur	720	90,525
<b>7/03 to 6/04</b>	NASCAR Truck	8,200	4,494,800
	Las Vegas Football Classic	11,675	9,282,600
	Las Vegas Bikefest	5,600	4,161,700
	Senior Softball	N/A	3,910,500
	Las Vegas Primm 300	5,575	2,037,900
	CarnaVe	675	519,700
	Remax Long Drive	1,300	596,300
	Aviation Nation	13,800	9,365,600
	Senior Softball	N/A	1,777,500
	FSE Downtown Hoedown	1,500	1,681,200
	FSE Holiday Festival	8,500	8,862,600
	NFR	38,825	49,954,600



	Cliff Keen Wrestling	1,525	1,115,500
	Cloud's Jamboree	2,175	1,618,200
	Las Vegas All American Bowl	2,150	1,437,300
	Nevada Open (Mesquite)	N/A	117,300
	Go For It Classic	N/A	1,990,800
	Monster Jam	2,700	2,505,800
	USSSA Softball Tournament	21,200	15,087,420
	City of Lights Jazz Festival	3,045	2,164,995
	LPGA Takefuji Classic	1,875	1,553,900
	NHRA	17,725	16,023,400
	FSE Mardi Gras Weekend	2,775	2,335,300
	Supercross	23,550	18,592,500
	Mesquite Amateur	875	128,873
	FSE Vegas Cruise	3,050	2,601,200
<b>7/04 to 6/05</b>	NFR	37,375	39,334,900
	NFR Gift Show	59,350	10,176,700
	NHRA Drag Races		
	October Race	21,250	20,909,400
	April Race	23,825	24,823,500
	Fremont Street Experience		
	Downtown Hoedown	2,050	2,417,900
	Holiday Festival	11,525	10,209,300
	Vegas Cruise	2,075	1,736,000
	Mardi Gras	2,775	2,335,300
	Arena Bowl Fan Fest	4,700	2,650,800
	Senior Softball World Masters	2,700	1,701,000
	Senior Softball World Championships	16,000	20,592,000
	U.S. Slow Pitch Softball Tournament	25,800	11,068,200
	Senior Softball Winter Worlds	4,250	3,021,750
	Doubledown in the Desert	11,550	7,542,200
	Las Vegas Bikefest	9,900	8,399,000
	Aviation Nation	14,250	9,930,300
	Cliff Keen Wrestling	1,825	1,428,400
	City of Lights Jazz Festival	2,800	3,690,400
	LPGA Takifuji Tournament	2,925	2,605,400
	Supercross	25,875	21,083,000
	Monster Jam	4,250	3,906,900
	World Cup Horse Jumping	8,850	15,091,100
	World Cup Dressage	9,250	13,995,500
	NBA Summer League	6,500	2,788,500
	Las Vegas Celtic Highland Games	3,000	2,727,000
	Arena Bowl - AFL Championship	8,950	7,810,100
	Pinnacle Exceptional Driver Chmpshp	825	519,600

	National Long Drive Championship	1,400	964,600
	Nevada Open	363	346,810
	Mesquite Amateur Golf Tournament	803	276,184
	Mesquite Team Roping	1,950	1,055,900
	Primm 300	6,900	2,351,200
	Primm Valley Resorts Winter Int'l	2,350	985,300
<b>7/05 to 6/06</b>	NFR	43,325	48,473,300
	NFR Gift Show	67,225	8,169,700
	NHRA Drag Races		
	October Race	21,850	24,229,200
	April Race	25,400	26,280,100
	Fremont Street Experience		
	Downtown Hoedown	2,450	2,791,300
	Holiday Festival	5,850	4,540,800
	Vegas Cruise	4,675	2,915,800
	Mardi Gras	3,125	2,739,700
	Las Vegas Sr. Softball World Masters	4,516	N/A
	Las Vegas Sr. Softball World Chpshps	11,250	N/A
	U.S. Slow Pitch Softball Tournament		14,876,589
	Senior Softball Winter Worlds		3,210,876
	Doubledown in the Desert	11,250	8,668,700
	NASCAR Craftsman Truck Race		
	Champ Car World Series		
	Vegas Music Experience	36,825	30,410,500
	Las Vegas Bikefest	11,350	9,586,700
	Aviation Nation	14,650	9,557,800
	Helldorado Days	2,000	N/A
	Cliff Keen Wrestling	1,875	1,302,700
	City of Lights Jazz Festival	3,300	5,423,719
	ATP Tennis Channel Open	2,550	2,614,300
	Las Vegas World Invitational	1,425	2,148,100
	LPGA Takifuji Tournament	3,975	4,406,000
	Supercross	27,025	26,057,000
	Monster Jam	5,075	5,086,800
	Las Vegas SCORE Off Road Race	3,150	2,125,500
	NBA Summer League	9,500	3,923,496
	Arena Bowl - AFL Championship		8,726,369
	High School Basketball Finals		2,158,875
	High School Easter Classic	7,000	2,380,534
	Las Vegas Holiday Classic Invitational	5,525	N/A
	MWC Championships	4,325	N/A
	Pinnacle Exceptional Driver	825	519,600
	REMAX National Long Drive	1,775	1,221,200

	Nevada Open (Mesquite)	500	155,000
	Mesquite Amateur Golf Tournament	7,650	321,303
	Mesquite Team Roping	1,400	876,700
	Mesquite Couples	N/A	61,392
	SCORE Primm 300	7,650	3,507,000
	Primm Valley Resorts	975	764,600
<b>7/06 to 6/07</b>	NFR	41,975	52,787,800
	NFR Gift Show	70,675	5,699,400
	NHRA Drag Races		
	October Race	24,375	27,852,300
	April Race	26,050	26,604,300
	Fremont Street Experience		
	Downtown Hoedown	1,950	1,924,600
	Holiday Festival	8,350	6,635,100
	Vegas Cruise	2,100	2,417,000
	ACM Harley Ride	2,650	2,558,100
	U.S. Slow Pitch Softball Tournament	26,439	5,610,884
	Senior Softball Winter Worlds	5,110	2,783,142
	NASCAR Craftsman Truck Race	11,100	6,660,700
	Vegas Music Experience	38,400	34,331,900
	Las Vegas Bikefest	11,950	11,908,800
	Aviation Nation	20,825	12,235,300
	Cliff Keen Wrestling	2,075	857,800
	City of Lights Jazz Festival	3,345	2,129,627
	ATP Tennis Channel Open	5,875	5,757,300
	Supercross/Monster Jam		
	Supercross	28,475	29,350,300
	Monster Jam	5,725	5,378,100
	Las Vegas SCORE Off Road Race	3,200	2,218,600
	World Cup Horse Jumping	13,775	23,421,800
	NBA Summer League	4,280	2,054,400
	Prep High School Basketball Finals	10,450	2,374,763
	Pinnacle Exceptional Driver	575	356,900
	National Long Drive Championship	1,675	1,109,400
	Mesquite Amateur Golf Tournament	2,025	1,111,800
	Mesquite Couples	180	61,392
	Primm 300	7,350	2,970,300
	Primm Valley Resorts	2,675	1,598,400
	Mountain West Basketball	6,050	5,064,300
	USA Wrestling Olympic Trials	2,150	1,653,900
	USA Basketball	6,325	6,049,400
	Las Vegas Marathon	39,425	31,709,100
	Nevada Senior Games	1,000	568,770

	Far West Regional Soccer	10,500	7,875,000
	Nevada Silverman Triathlon	3,044	1,834,344
	Clark County Fair & Rodeo	13,654	116,467
	National Senior Pro Rodeo	305	173,474
	Lucky 777 Team Roping	1,151	654,654
<b>7/07 to 6/08</b>	NFR	43,325	60,638,500
	NFR Gift Show	79,225	22,811,000
	NHRA Drag Races		
	October Race	25,875	27,346,500
	April Race	26,925	25,556,900
	Fremont Street Experience		
	Downtown Hoedown	2,450	2,723,500
	Holiday Festival	3,850	3,093,200
	Vegas Cruise	2,950	2,888,800
	ACM Harley Ride	3,375	3,452,300
	U.S. Slow Pitch Softball Tournament	20,105	4,266,482
	Senior Softball Winter Worlds	5,050	2,477,500
	NASCAR Craftsman Truck Race	11,175	6,084,900
	Vegas Music Experience	23,975	6,084,900
	Las Vegas Bikefest	11,075	8,809,600
	Aviation Nation	19,075	14,590,500
	Helldorado Days	19,075	14,590,500
	Cliff Keen Wrestling	2,250	1,418,100
	City of Lights Jazz Festival	3,272	1,952,402
	ATP Tennis Channel Open	9,850	11,267,100
	Supercross	28,275	28,277,500
	Monster Jam	6,050	6,185,900
	Las Vegas SCORE Off Road Race	4,375	3,220,900
	NBA Summer League	3,506	1,682,880
	Prep High School Basketball Finals	9,500	1,018,875
	Las Vegas Holiday Wrestling	1,785	1,136,438
	Mesquite Exceptional Driver	300	218,200
	National Long Drive Championship	1,975	1,269,600
	Mesquite Amateur Golf Tournament	2,025	1,111,800
	Mesquite Couples	180	61,392
	Mesquite Team Roping	98	389,736
	Primm 300	6,650	2,602,700
	Mountain West Basketball	5,550	4,581,200
	USA Wrestling Judo Olympic Trials	9,900	8,295,000
	USA Basketball	3,625	3,606,400
	Las Vegas Marathon	43,875	35,308,800
	Nevada Senior Games	1,300	1,655,564
	Nevada Silverman Triathlon	3,504	3,652,849

	Clark County Fair & Rodeo	13,654	116,467
	US Nat'l Wrestling Championships	8,994	3,501,630
	Mesquite Native American Festival	25,000	9,942,250
	National Senior Pro Rodeo	485	292,266
<b>7/08 to 6/09</b>	NFR	34,775	49,757,100
	NFR Gift Show	53,475	11,404,200
	NHRA Drag Races		
	October Race	27,225	27,990,000
	April Race	24,700	19,768,200
	Fremont Street Experience		
	Downtown Hoedown	2,450	2,552,900
	Holiday Festival	4,300	3,759,800
	Vegas Cruise	3,125	2,555,100
	ACM Concert	7,000	6,201,500
	U.S. Slow Pitch Softball Tournament	20,105	3,427,701
	Senior Softball Winter Worlds	5,265	3,141,625
	NASCAR Craftsman Truck Race	11,250	8,210,500
	Las Vegas Bikefest	11,050	11,002,200
	Aviation Nation	20,650	15,828,400
	Cliff Keen Wrestling	2,000	1,150,700
	City of Lights Jazz Festival	2,495	1,952,402
	Supercross/Monster Jam		
	Supercross	29,475	25,256,800
	Monster Jam	7,100	5,887,700
	FEI World Cup	12,250	20,554,300
	NBA Summer League	4,280	2,054,400
	Las Vegas Holiday Classic Invitational	2,015	1,282,869
	Pirates of the Colorado	500	134,540
	Wings & Wildlife Festival	250	18,101
	Mesquite Spring World Series	3,468	410,541
	National Long Drive Championship	2,375	1,576,100
	Mesquite Amateur Golf Tournament	1,475	709,500
	Primm 300	6,100	3,004,600
	Helldorado	1,450	1,153,642
	Mountain West Basketball	6,600	4,931,100
	USA Basketball	4,925	4,639,700
	USBC Championships	247,975	165,798,600
	Las Vegas Marathon	33,900	25,703,300
	Nevada Senior Games	1,479	1,817,600
	Nevada Silverman Triathalon	3,580	3,732,078
	Clark County Fair & Rodeo	6,850	559,645
	US National Wrestling	9,050	3,523,436
	Mesquite Classic Car Show	1,925	581,900

	Mesquite Teacher Games	250	79,538
	National Senior Pro Rodeo	238	142,014
<b>7/09 to 6/10</b>	NFR	37,650	51,606,100
	NFR Gift Show	8,700	12,026,300
	NHRA Drag Races		
	October Race	27,025	27,514,200
	April Race	27,175	23,525,100
	Fremont Street Experience		
	Downtown Hoedown	2,400	3,465,100
	Vegas Cruise	3,500	2,468,300
	ACM Concert	7,975	9,827,300
	U.S. Slow Pitch Softball Tournament	16,330	2,784,102
	Senior Softball Winter Worlds	6,255	3,846,762
	NASCAR Craftsman Truck Race	7,400	4,273,200
	Cliff Keen Wrestling	1,800	948,636
	City of Lights Jazz Festival	2,612	1,376,576
	USA Sevens	12,325	9,150,000
	NBA Summer League	5,000	2,400,000
	NASCAR Banquet	2,500	1,537,475
	Pirates of the Colorado	500	134,540
	National Long Drive Championship	2,375	1,576,100
	Mesquite Amateur Golf Tournament	588	324,476
	Primm 300	3,850	1,228,700
	Helldorado	2,156	1,715,335
	Mountain West Basketball	7,350	5,042,400
	USA Basketball	5,500	5,181,385
	Las Vegas Marathon	37,856	25,865,214
	Clark County Fair & Rodeo	6,205	507,197
	Mesquite Classic Car Show	2,175	512,700
	Mesquite Teacher Games	80	23,888
	Mesquite Smokin' on the Virgin BBQ	500	149,300
	Mesquite Branson Fest Out West	650	139,800
	National Senior Pro Rodeo	243	128,065
<b>7/10 to 6/11</b>	NFR	37,975	52,025,400
	NFR Gift Show	9,012*	12,457,557
	NHRA Drag Races	27,300	29,725,100
	Fremont Street Experience		
	Downtown Hoedown	3,750	5,561,800
	Holiday Festival	4,300	2,266,186
	Vegas Cruise	3,500	2,468,300
	ACM Concert	7,975	9,827,300
	Ultimate Elvis Tribute	3,000	1,581,060
	Las Vegas Academy of Country Music	2,250	1,185,795

U.S. Slow Pitch Softball Tournament	18,330	3,116,100
Senior Softball Winter Worlds	5,160	2,719,423
NASCAR Craftsman Truck Race	8,575	4,871,900
Cliff Keen Wrestling	1,800	948,636
Dew Vegas	31,350	4,241,200
USA Sevens	12,325	9,150,000
NBA Summer League	7,500	3,600,000
NASCAR Banquet	2,500	1,537,475
Bullhead City River Regatta	6,000	1,614,000
National Long Drive Championship	2,290	1,519,689
Mesquite Amateur Golf Tournament	650	358,689
Primm 300	5,850	1,940,400
Primm Winterbreak	381	126,373
Hellorado	3,000	1,571,060
Mountain West Basketball	7,350	5,042,400
USA Basketball	3,025	1,594,235
Las Vegas Marathon	44,313	44,200,000
Clark County Fair & Rodeo	7,000	572,250
Mesquite Classic Car Show	2,100	433,900
Mesquite Teacher Games	45	13,437
Mesquite Smokin' on the Virgin BBQ	925	207,200
Mesquite Branson Fest Out West	775	166,703
National Senior Pro Rodeo	250	128,065

Source: Las Vegas Events  
N/A Not Available

### *The Value of a Covered Mega-Events Center on Its Campus For UNLV*

A new mega-events center will support UNLV's academic mission by converting an important part of its campus into a catalyst that energizes a dynamic revitalization plan that will help transform the university. A mega-events center will permit UNLV to host all of its sports programs on campus and make it possible to invite students, families, faculty, staff, alumni and the entire community to year-round events. The new facility will serve as the front porch for UNLV welcoming the community to its campus. The mega-events center will also help UNLV retain the current portfolio of special events essential for the success of all of its collegiate sports activities and enhance revenue streams that will advance its academic programs. In addition, this project will transform the brand and culture of UNLV and elevate its prominence.

The University Village component of the project will offer housing, dining and shopping, as well as campus-appropriate retail and service activities that are found adjacent to or as part of every major residential campus. The University Village will be an integral part of the project and will provide additional space for educational, cultural and civic activities, offering an enhanced experience for everyone visiting UNLV, attending classes, working at the campus, or coming to a concert, show, or athletic event. Ultimately these new options will create an atmosphere that encourages UNLV students to live on campus. A University Village atmosphere will add to a richer, more dynamic campus experience and a greater sense of community life, which will contribute to the evolution of a more residential campus environment, a feature that has been linked to student performance and satisfaction. It also will help to recruit students from around the world, as well as compliment our Midtown vision.



## 5 The Economic Impact of Construction

The construction of the facility will create valuable and important economic impacts for Southern Nevada. As discussed earlier, the extent to which construction expenditures increase wealth in the region (real economic development or positive increments) depends on the source of the funds used to repay the bonds and the expectations regarding spending and the elasticity of demand relative to taxes on visitors. Construction activities can represent substitution effects within a regional economy if tax money merely shifts aggregate consumption within a region's economy.

The construction of a new mega-events center will result in new jobs in the construction industry. At a time when there is substantial unemployment in this sector, these jobs will result in new levels of spending by those who will be employed as a result of the building of the facility and result in real economic gains for the regional economy.<sup>14</sup>

For example, if the total project cost was approximately \$800 million (including all costs for infrastructure and the relocation of activities on the UNLV campus, traffic/transportation and utilities, and parking improvements), the new mega-events center project would generate more than 5,000 direct, indirect and induced person years of employment (one person employed full-time for one year). The application of appropriate multiplier effects would mean that approximately 46 percent of the construction cost would be for direct labor income producing \$308 million in wages for construction workers. Another \$197 million of labor income would be generated from indirect and induced effects.

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<sup>14</sup> An issue for some analysts when looking at construction jobs for sports facilities is the source of the funds. Consider the example of a local government that collects a tax on hotel rooms to help pay for a mega-events center's construction. In the absence of building of the facility, if the tax is not collected, consumers would spend the money for goods and services and that spending also creates jobs (jobs in the retail sector, for example, or construction jobs to provide new venues where the spending takes place). As a result there is no new spending or net income produced by collecting tax money from residents of a region and then using the revenue received for construction jobs. The tax money collected simply **transfers jobs and spending from one sector of the economy to another**. This is materially different from the benefits produced when new events are held in the area and those events attract new visitors or visitors who decide to stay in the region for extra days to enjoy the event. New visitors or visitors spending more days represent real growth or benefits and that is why those returns for the hospitality sector or benefits for the region (including higher tax revenues) were summarized in an earlier section of the report. Real economic gains or increments must be considered separately from the construction effects reviewed in this section that frequently involves nothing more than a transfer of regional economic activity within sectors of the local economy. It should be noted that if there is a substantial improvement in the national and regional economies when the new mega-events center is built, some of the anticipated gains from new construction jobs would be lost as labor costs could reduce the viability of other projects.

The total economic output from the construction of the mega-events center itself is estimated to be \$729.5 (see Table 5-1). This is provided as the total costs for all infrastructure and related expenses have yet to be fully estimated.

**Table 5-1. The Economic Effects from the Building of A New Mega-Events Center (IMPLAN Model)**

**EMPLOYMENT**

	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
Events Center	2,678	935	1,445	5,058
<b>Total Employment</b>	<b>2,678</b>	<b>935</b>	<b>1,445</b>	<b>5,058</b>

**LABOR INCOME**

	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
Events Center	\$ 196,669,600	\$ 50,082,850	\$ 61,528,100	\$ 308,280,550
<b>Total Labor Income</b>	<b>\$ 196,669,600</b>	<b>\$ 50,082,850</b>	<b>\$ 61,528,100</b>	<b>\$ 308,280,550</b>

**ECONOMIC OUTPUT**

	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
Events Center	\$ 425,000,000	\$ 125,695,875	\$ 178,815,775	\$ 729,511,650
<b>Total Economic Output</b>	<b>\$ 425,000,000</b>	<b>\$ 125,695,875</b>	<b>\$ 178,815,775</b>	<b>\$ 729,511,650</b>

*Fiscal Impact of the Construction Phase*

The collection of sales and use taxes, property taxes, and any other taxes as a result of construction have to be evaluated in the same way as the anticipated effects from the wages paid to construction workers. If the funds are from taxes collected in the regional economy the expectation is those revenues will be spent in the regional economy and produce new tax revenues.

During the construction phase, however, the estimated effect on sales and use tax revenues and revenues from the modified business tax were estimated. Furthermore, the fiscal impact estimated in this report does not include fiscal costs associated with the collection of these tax revenues, which are modest under current law. Therefore fiscal impact does not reflect net fiscal impact.

Assuming 80 percent of the non-labor cost of construction is subject to the sales and use tax, the building of the mega-events center would generate approximately \$26 million. Additionally, the Modified Business Tax revenue generated during the construction phase is estimated at \$3.5 million based on 85 percent of the direct labor income.<sup>15</sup>

<sup>15</sup> The following assumptions guided the projections. First, 80 percent of the construction costs net of direct labor income is subject to Nevada's retail sales and use tax. Second, the Modified Business Tax is collected on approximately 85 percent of the direct labor income with the remaining 15 percent of direct labor income being exempt (e.g. health care benefits/deductions) from the Modified Business Tax.

## 6 Existing Events and Increments to the Quality of Life for Southern Nevada Residents

In measuring new economic development from a mega-events center the proper focus should be on events that would not be part of Las Vegas' event calendar if the facility did not exist. As noted there are a number of events that cannot be held in Las Vegas as the region lacks a covered 55,000-seat (or more) facility.

As noted earlier, if this type of facility is built, there will be approximately 15 events that will be potentially held in it each year that cannot now be held in Las Vegas. A number of events that currently use Sam Boyd Stadium would relocate to the new mega-events center that will have new amenities for fans and which will be located closer to the center of the hospitality industry. The relocation of these events would not bring substantial levels of new economic development to Las Vegas even though the movement of economic activity to the center of the hospitality industry would have clear benefits for businesses located throughout the metropolitan Las Vegas area.

It is also possible that a few of the events that move from Sam Boyd Stadium to the proposed mega-events center on UNLV's campus would bring more visitors to Las Vegas. For example, the Las Vegas Bowl would likely attract more fans. The benefit of larger crowds was not included in the estimate of new economic development in keeping with the production of a conservative measure of the potential benefits from the new facility. In evaluating the use of the new mega-events center, however, it is important to include all of the events that would be held at the facility.

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This analysis further assumes that the current 1.17 percent tax rate is applicable during the construction period, as there are strong indications that this tax (that is scheduled to be reduced June 30, 2013, will be continued at the current level).

**Modified Business Tax:** Effective 10/01/03, every employer who is subject to Nevada Unemployment Compensation Law (NRS 612) is also subject to the Modified Business Tax on total gross wages less employee health care benefits paid by the employer. Total gross wages are the total amount of all gross wages and reported tips paid for a calendar quarter (same amount as reported on Line 3 of ESD Form NUCS 4072.) Exceptions to this are employers of exempt organizations and employers with household employees only.

**General Business -** Effective July 1, 2011 AB561 eliminated the Modified Business Tax on any General Business employer with \$62,500 or less in taxable wages per calendar quarter, after health care deductions. The rate for any taxable wages for any General Business employer above the \$62,500 per calendar quarter remains at **1.17 percent**, after health care deductions. Prior to July 1, 2011 and after July 1, 2009 SB 429 changed the tax rate for General Business employers and created the tiered system. The sum of all taxable wages, after health care deduction, paid by the employer not exceeding \$62,500 for the calendar quarter was calculated at 0.5 percent. If the sum of all the wages paid by the employer exceeds \$62,500 for the calendar quarter, the tax is \$312.50 plus 1.17 percent of the amount the wage exceeds \$62,500. The rate for general business prior to July 1, 2009 was 0.63 percent.

Table 6-1 identifies 37 events that are projected to take place at the new mega-events center on UNLV's campus. The Major League Soccer (MLS) team that is anticipated will likely bring few new tourists and very little new economic activity to the region. The presence of a MLS team, however, will offer people who live in the Las Vegas region another valuable amenity and that is what makes the team playing in a covered facility a tool in the effort to attract more people and businesses to the area. It is very important that the Las Vegas region add amenities that appeal to residents and which can be profitably operated without a public subsidy.

It is reasonable to expect given the region's current demography that a MLS team would be a very popular attraction. A MLS soccer franchise would be an important benefit for the quality of life in Southern Nevada and a covered mega-events center makes it more likely that the league would be interested in expanding to include a Las Vegas-based team.

There is no additional economic benefit anticipated from UNLV football, but the facility's presence on campus is expected to lead to slowly improving attendance levels. The University will be able to plan events and host the community and its alumni in a very different fashion and manner to what currently exists at Sam Boyd Stadium. The ways in which UNLV can use an on-campus facility to advance its image, programs, and the quality of campus-life for students will produce important benefits for the region's long-term development. It is important that people be aware of those returns even if they are not included in the direct financial benefits that the new mega-events center will produce.

**Table 6-1. Events from Sam Boyd Stadium and Events Likely To Continue In Las Vegas If A New Mega-Events Center Is Built (\*United Football League)**

<i>Other Mega-Events Center Events</i>			<i>Venue Capacity</i>	<i>Expected Occupancy</i>	<i>Seats Sold</i>	<i>Free Seats</i>	<i>Total Attendees</i>
<b>1</b>	UNLV Football	Game #1	55,000	50%	30,250	2,625	32,875
<b>2</b>	UNLV Football	Game #2	55,000	50%	30,250	2,625	32,875
<b>3</b>	UNLV Football	Game #3	55,000	50%	30,250	2,625	32,875
<b>4</b>	UNLV Football	Game #4	55,000	50%	30,250	2,625	32,875
<b>5</b>	UNLV Football	Game #5	55,000	50%	30,250	2,625	32,875
<b>6</b>	UNLV Football	Game #6	55,000	50%	30,250	2,625	32,875
<b>7</b>	MLS Soccer	Game #1	55,000	25%	13,750	1,313	15,063
<b>8</b>	MLS Soccer	Game #2	55,000	25%	13,750	1,313	15,063
<b>9</b>	MLS Soccer	Game #3	55,000	25%	13,750	1,313	15,063
<b>10</b>	MLS Soccer	Game #4	55,000	25%	13,750	1,313	15,063
<b>11</b>	MLS Soccer	Game #5	55,000	25%	13,750	1,313	15,063
<b>12</b>	MLS Soccer	Game #6	55,000	25%	13,750	1,313	15,063
<b>13</b>	MLS Soccer	Game #7	55,000	25%	13,750	1,313	15,063
<b>14</b>	MLS Soccer	Game #8	55,000	25%	13,750	1,313	15,063
<b>15</b>	MLS Soccer	Game #9	55,000	25%	13,750	1,313	15,063
<b>16</b>	MLS Soccer	Game #10	55,000	25%	13,750	1,313	15,063
<b>17</b>	MLS Soccer	Game #11	55,000	25%	13,750	1,313	15,063
<b>18</b>	MLS Soccer	Game #12	55,000	25%	13,750	1,313	15,063
<b>19</b>	MLS Soccer	Game #13	55,000	25%	13,750	1,313	15,063
<b>20</b>	MLS Soccer	Game #14	55,000	25%	13,750	1,313	15,063
<b>21</b>	MLS Soccer	Game #15	55,000	25%	13,750	1,313	15,063
<b>22</b>	MLS Soccer	Game #16	55,000	25%	13,750	1,313	15,063
<b>23</b>	MLS Soccer	Game #17	55,000	25%	13,750	1,313	15,063
<b>24</b>	UFL*	Game #1	55,000	15%	5,500	9,188	14,688
<b>25</b>	UFL	Game #2	55,000	15%	5,500	9,188	14,688
<b>26</b>	UFL	Game #3	55,000	15%	5,500	9,188	14,688
<b>27</b>	UFL	Game #4	55,000	15%	5,500	9,188	14,688
<b>28</b>	Motor Events	Event #1	55,000	75%	41,250	3,938	45,188
<b>29</b>	Motor Events	Event #2	55,000	75%	41,250	3,938	45,188
<b>30</b>	Motor Events	Event #3	55,000	75%	41,250	3,938	45,188
<b>31</b>	Motor Events	Event #4	55,000	75%	41,250	3,938	45,188
<b>32</b>	Rugby	Event #1	55,000	20%	11,000	1,100	12,100
<b>33</b>	Rugby	Event #2	55,000	20%	11,000	1,100	12,100
<b>34</b>	Rugby	Event #3	55,000	20%	11,000	1,100	12,100
<b>35</b>	Rugby	Event #4	55,000		11,000	1,100	12,100
<b>36</b>	Las Vegas Bowl		55,000	100%	55,000		55,000
<b>37</b>	NFL Exhibition		52,500	80%	44,000		44,000
<b>TOTALS</b>					745,250	94,975	840,225

An earlier section of this report focusing on the events that would bring new economic activity to Las Vegas did not include two sets of events. There are some events that are currently held at Sam Boyd Stadium that would move to the new mega-events center and that relocation would lead to higher attendance levels and more benefits for the hospitality sector. The Las Vegas Bowl would probably attract more fans. More fans might also attend the international rugby tournament and several motor cross events. In keeping with the presentation of a conservative assessment of the economic benefits for the hospitality sector and the regional economy from the new mega-events center, the extra spending by fans on events that would move to the new facility was not included in the projection of new economic activity. New economic gains for the hospitality sector and the Las Vegas region's resorts were defined to be only spending associated with activities that are currently not a part of the events calendar were included.

The new mega-events center will help insure that events currently held at Sam Boyd Stadium will continue to be held in Las Vegas even when other communities offer other venues. The 37 events are expected to attract more than 745,000 people to the new facility. When added to those attending events considered export-based it is reasonable to anticipate that more than 1.4 million spectators will be at events at the new mega-events center. This attendance level will make the anticipated facility the most successful in the United States without a team from Major League Baseball and perhaps as successful as Cowboys Stadium and MetLife Stadium (New York Giants and New York Jets).

Included in the 37 events listed in Table 6-1 is one NFL exhibition game. Another NFL exhibition game was included as one of the 15 export-based events. It is likely that fans from the home cities of the teams as well as residents of Las Vegas will attend both games. In order to not "double count" the value of the games, one was included in of the two sets of activities (export-based and those serving the region) that will be held at the new mega-events center.

Limiting the anticipated events to 37 is again a conservative estimate. There have been other prudent projections that anticipate a larger number of events. Those included in Table 6-1 include those are currently held at Sam Boyd Stadium and those associated with the presence of a MLS franchise. The region's leaders in the hospitality sector believe it reasonable to expect that NFL teams would be interested in playing an exhibition (pre-season) game at the new mega-events center. This produces a realistic expectation of 37 events. If more events are held – as with the larger estimates of returns in Table 4-1 from more than 15 events that attract new visitors to the region – the value of the new facility will be more than what is suggested. The more conservative estimates were offered to provide confidence in what are the realistic returns from a mega-events center. This is appropriate since too many economic impact studies for mega-events centers performed for numerous other cities and regions have a long-history of projections that were never realized (Maennig & Zimbalist, 2012; Sanders, 2005; Rosentraub, 1997).

## 7 Summary and Conclusions

State and local governments have been repeatedly warned to be cautious with regard to the economic and fiscal benefits produced by mega-events centers and sports facilities. That advice is appropriate. Studies and reports in support of new facilities have forecasted unrealized outcomes as a result of unrealistic expectations, inappropriate projections of what sports and entertainment can produce for a regional economy, and the failure to account for substitution effects (Rosentraub, 1997; Sanders, 2005). There are also instances when inappropriate definitions of economic impact have been used resulting in an obfuscation of what are and what are not changes in regional wealth (Maennig & Zimbalist, 2012; Rosentraub and Swindell, 2009).

There are also numerous examples when prudent public investments in facilities have produced important economic, financial, and social benefits. These benefits have included direct financial returns (Los Angeles), the building of new neighborhoods (Columbus, Indianapolis, Los Angeles, and San Diego), and the movement of economic activity to enhance downtown areas and central cities (Cleveland and Indianapolis). The lessons learned from these more successful uses of sports facilities for real economic development have been documented in several studies (Rosentraub, 2010; Feng & Humphreys, 2008; Foster, 2008; Erie, Kogan, & MacKenzie, 2010; Cantor & Rosentraub, 2012).

This report has benefitted from the insights from those who have studied the effects of facilities on regional economies and concentrated its enumeration of benefits to anticipated gains in wealth or real economic development. Attention was also directed to the enhancements to the quality of life that would result from transferring events from Sam Boyd Stadium to a state-of-the-art mega-events center located near the center of Las Vegas' hospitality industry. The possibility that a MLS team may be part of the amenity package available to residents is also an important benefit even if it leads to little change in regional economic activity.

Several observations, however, do lead to an optimistic projection of the proposed mega-events center's impact on the hospitality sector and the regional economy.

1. As noted by numerous leaders in the events and hospitality industry, there is an important set of events that cannot be held in Las Vegas at this time because the region lacks the required infrastructure. Specifically, the region lacks a covered mega-events center with seating for at least 55,000 people. Without such a venue there are international competitions, concerts, and other events that will be held in other cities, but not in Las Vegas.

2. It is very likely that a new mega-events center built on UNLV's campus will be able to host 15 mega-events each year. Those events cannot be held in any venue that currently exists in Las Vegas, as each of these events needs seating for at least 40,000 people and will likely attract a large enough crowd to fill all of the expected 55,000 seats.

3. Using spending data produced by LVCVA, 15 events at the mega-events center would potentially produce \$393.2 million in direct spending for Southern Nevada's regional hospitality industry.

4. The new facility would also produce new tax revenues for Nevada and Clark County local governments. With 15 new mega-events each year, the State of Nevada and local governments will potentially receive \$32.5 million in new tax revenues and fees each year. If the live entertainment tax were included, the 15 new mega-events would generate \$36.8 million each year for the public sector.

5. UNLV is investing staff time, a substantial amount of land, its name and reputation in athletics and event management, and tax status to the project. Majestic Realty has also made an important investment through the development of the concept, plans, and studies required for this project. **The University, however, will not invest any money in the new mega-events center. There will be no money invested in the new mega-events center by Nevada's Board of Regents.**

6. Neither UNLV nor Majestic Realty can recapture a sufficient portion of the spending by visitors to events at the new mega-events center to pay for the cost of construction the facility.

7. Investments are needed from those entities in the region that will benefit from the mega-events center's existence to insure it is built. Without those commitments it is neither financially feasible nor practical for UNLV to build a covered mega-events center for 55,000 or more spectators on its campus.





## Appendix I

### The Direct, Indirect, and Induced Economic Effect of Visitor Spending at the New Mega-Events Center and Its Construction

The direct spending by the anticipated new visitors to Las Vegas discussed in the report was used to estimate the indirect and induced economic effects. These are detailed in Table II-1. Total economic impact of the dollars invested in the building of the new mega-events center is also enumerated. To illustrate the total effect of construction spending for the region's economy, the direct, indirect, and induced spending totals for projects that cost \$450, \$500, and \$550 million are illustrated in table I-1. (As noted, with plans still being finalized, the total project cost including needed infrastructure would be substantially larger). The indirect and induced estimates were produced using multipliers produced by MIG (IMPLAN). IMPLAN is a widely accepted and used software system that models the effects of spending within a region from the building (and operating) of a new facility (or any form of construction) or from the expenditures of consumers or tourists. Developed by social scientists from the University of Minnesota, it is one of the two most relied-upon systems for understanding the economic impacts of spending and construction activities.

The data produced relies on the direct expenditures for spending and construction.

Direct spending refers to the incremental expenditures made by visitors for hotel rooms, food and beverages, entertainment, retail purchases, and gaming activities at any of a region's casinos, as a result of this new venue.

Indirect spending refers to the jobs, salaries, and sales (output) of the firms or businesses that provide goods and services essential to the spending by visitors or the building of the mega-events center. For example, to serve people who stay at a resort, the property might purchase goods or services from another local company. Those expenditures create income and the proportion of that income that remains in the region is referred to as "indirect spending" or indirect economic activity.

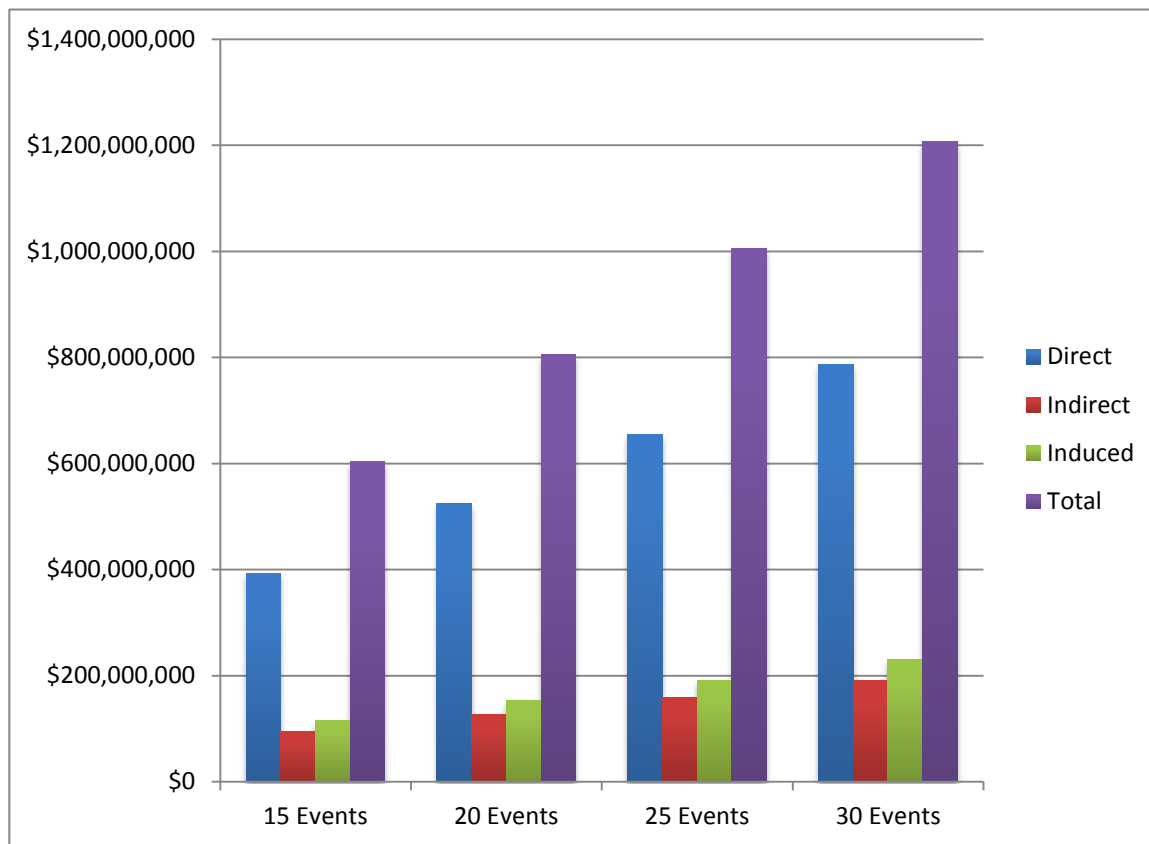
Induced economic impacts are those produced by the wages earned by employees that are spent in the local economy.

Readers are reminded that the visitor spending figures used in this report were those made by people attracted to Southern Nevada by an event hosted at the new mega-events center. The estimated number of visitors was based on average attendance of 45,000 people at the events. It was expected that only 70 percent of the spectators were visitors (based on surveys commissioned by LVCVA). That estimate was further reduced by the expectation that 15 percent of the non-residents would have visited Las Vegas even if a special event were not being held at the new facility. **The annual total increment to the regional economy from hosting 15 events that attract new visitors to Las Vegas is \$603.4 million.** If a larger number of events were held there would a more robust total economic impact. The possible larger increments are also described in Table I-1 and illustrated in Figure I-1.

**Table I-1. The Total Economic Impact of Spending by New Visitors Attending Events at the New Mega-Events Center and from The Building of the Facility**

	<i>Spending Category</i>			<i>Total Economic Impact</i>
	<i>Direct</i>	<i>Indirect</i>	<i>Induced</i>	
<b><i>Visitor Spending</i></b>				
<b><i>15 Events</i></b>	393,201,394	95,434,752	114,803,884	\$603,440,029
<b><i>20 Events</i></b>	524,268,525	127,246,336	153,071,845	\$804,586,706
<b><i>25 Events</i></b>	655,335,656	159,057,920	191,339,806	\$1,005,733,382
<b><i>30 Events</i></b>	786,402,788	190,869,503	229,607,768	\$1,206,880,059
<b><i>Construction</i></b>				
	450,000,000	148,101,884	231,791,227	\$829,893,111
	500,000,000	164,557,649	257,545,808	\$922,103,457
	550,000,000	181,013,414	283,300,389	\$1,014,313,803

**Figure I-1. Total Economic Benefits (Spending) By Number of Events**



Some might prefer to relax the conservative estimates put forward in establishing the number of new visitors. For example if all of the out-of-town attendees were included in the calculations, the total economic impact of 15 events would be \$694 million.

## Appendix II

### Operational Expenses for the New Covered, All-Weather Mega-Events Center

A conservative estimate of the operational expenses associated with a new covered, all-weather mega-events center located on UNLV's campus was projected based on costs associated with the operation of the Thomas & Mack Center and the Cox Pavilion. For the most recent fiscal year, labor costs expended by UNLV for both facilities totaled \$12.7 million. Non-personnel costs were \$9 million. Total direct expenses at both facilities, then, were \$21.7 million.

The new mega-events center will be larger than the Center and Pavilion but it is anticipated that the total number of annual events would be similar to those hosted by the Thomas & Mack Center and the Cox Pavilion. It should be expected that some additional personnel and operational costs would be anticipated. There could also be efficiencies realized as a result of the joint operation of the three facilities.

To estimate the increment for the regional economy, however, the same level of expenses associated with the operation of the Thomas & Mack Center and the Cox Pavilion were assumed to be the increment for the regional economy from the operation of the new facility.

**With a direct annual budget of \$21.7 million for operations, the new mega-events center would produce a *yearly* economic increment of \$34.3 million for the regional economy.** The \$34.3 million increment is the sum of the direct, indirect, and induced economic effects from the annual operation of the facility.

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